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LEGISLATIVE HISTORY

Public Law 90-103

S. 602

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INDEX AND SUMMARY OF S. 602

Jan. 23, 1967	Sen. Randolph and others introduced and Sen. Randolph discussed S. 602 which was referred to Senate Public Works Committee.
Feb. 20, 1967	Sen. Harris submitted proposed amendment which was referred to Senate Labor and Public Welfare Committee.
Apr. 6, 1967	Senate committee reported S. 602 with amendments. Senate Rept. 159. Print of bill and report.
Apr. 14, 1967	Summary of S. 602 as reported.
Apr. 26, 1967	Senate began debate on S. 602.
Apr. 27, 1967	Senate passed S. 602 with amendments.
Apr. 28, 1967	S. 602 was referred to House Public Works Committee. Print of bill as referred.
Aug. 2, 1967	House committee voted to report S. 602.
Aug. 8, 1967	House committee reported S. 602 with amendments. House Rept. 548. Print of bill and report.
Aug. 17, 1967	House Rules Committee reported resolution for consideration of S. 602. H. Res. 910, H. Rept. 565.
Sept. 13, 1967	House began debate on S. 602.
Sept. 14, 1967	House passed S. 602 with amendments.
Sept. 19, 1967	Both Houses appointed conferees.
Sept. 26, 1967	House received conference report. H. Rept. 706.
Sept. 28, 1967	House agreed to conference report.
Sept. 29, 1967	Senate agreed to conference report.
Oct. 11, 1967	Approved: Public Law 90-103

S. 602

A BILL.

90TH CONGRESS
1ST SESSION

S. 602

IN THE SENATE OF THE UNITED STATES

JANUARY 23 (legislative day, JANUARY 19), 1967

Mr. RANDOLPH (for himself, Mr. COOPER, Mr. BAKER, Mr. BARTLETT, Mr. BAYH, Mr. BREWSTER, Mr. CLARK, Mr. DODD, Mr. EASTLAND, Mr. ERVIN, Mr. GRUENING, Mr. HART, Mr. HARTKE, Mr. HILL, Mr. INOUYE, Mr. JAVITS, Mr. JORDAN of North Carolina, Mr. KENNEDY of Massachusetts, Mr. KENNEDY of New York, Mr. LAUSCHE, Mr. MONTOYA, Mr. MORSE, Mr. MORTON, Mr. MOSS, Mr. PELL, Mr. RIBICOFF, Mr. RUSSELL, Mr. SCOTT, Mr. SPARKMAN, Mr. SPONG, Mr. STENNIS, Mr. TYDINGS, Mr. YARBOROUGH, and Mr. YOUNG of Ohio) introduced the following bill; which was read twice and referred to the Committee on Public Works

A BILL

To revise and extend the Appalachian Regional Development Act of 1965

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Appalachian Regional Development Act Amendments of 1967".

SEC. 2. Section 102 of the Appalachian Regional Development Act of 1965 (hereinafter referred to as "the Act") is amended by striking out clause (9) and inserting in lieu thereof the following:

"(9) approve for assistance such programs and projects authorized under this Act as it determines will con-

tribute to the development of the Appalachian region and advance funds appropriated under this Act to appropriate departments and agencies to assist in carrying out said programs and projects."

SEC. 3. Section 105 of the Act is amended to read as follows:

"ADMINISTRATIVE EXPENSES OF THE COMMISSION

"SEC. 105. (a) For the period ending on June 30, 1967, the administrative expenses of the Commission shall be paid by the Federal Government. Thereafter, such expenses shall be paid equally by the Federal Government and the States in the region, except for the expenses of the Federal cochairman, his alternate, and his staff, which shall be paid solely by the Federal Government. The share to be paid by each State shall be determined by the Commission. The Federal cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

"(b) Not to exceed $2,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this

section. Not to exceed $750,000 of such authorization shall be available for the expenses of the Federal cochairman, his alternate, and his staff."

SEC. 4. (a) Clause (2) of section 106 of the Act is amended by inserting before the period at the end thereof a comma and the following: "except as provided in section 109 of this Act".

(b) Clause (7) of such section is amended to read as follows:

"(7) enter into and perform such contracts, leases (including, notwithstanding any other provision of law, the lease of office space for any term expiring no later than June 30, 1971), cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States (which is hereby so authorized to the extent not otherwise prohibited by law) or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation."

SEC. 5. Title I of the Act is amended by inserting at the end thereof a new section as follows:

"COMMISSION EMPLOYEE PROTECTIONS

"SEC. 109. (a) Section 5334(a) of title 5, United States Code, is amended by inserting the following new sen-

tence at the end thereof: 'For the purpose of this subsection, an individual employed by the Appalachian Regional Commission under section 106 (2) of the Appalachian Regional Development Act of 1965 (79 Stat. 5, 8; 40 App. A, U.S.C. 106 (2)), who within six months after separation from such employment is employed in a position to which this subchapter applies, shall be deemed to have transferred from a position in the executive branch to which this subchapter does not apply.'

"(b) Section 6303 (a) of title 5, United States Code, is amended by inserting the following new sentence after the third sentence: 'In determining years of service, an employee also is entitled to credit for all service in the Appalachian Regional Commission not otherwise included.'

"(c) Section 6308 of title 5, United States Code, is amended by inserting the following new sentence at the end thereof: 'An individual employed by the Appalachian Regional Commission under section 106 (2) of the Appalachian Regional Development Act of 1965 (79 Stat. 5, 8; 40 App. A, U.S.C. 106 (2)), who within six months after separation from such employment is employed in a position in which he is subject to this subchapter shall be deemed, for the purpose of crediting accumulated sick leave earned during Commission service, to have transferred between different leave systems.'

"(d) Employees who suffer disability or death while in the performance of their duties for the Commission shall be deemed to be employees of the United States Government for the purposes of subchapter I, chapter 81, as amended (relating to compensation for work injuries), of title 5, United States Code (5 U.S.C. 8101–8173 and 80 Stat. 252–257). Whenever any person is entitled to receive any benefits under such subchapter I, chapter 81, as amended, by reason of his injury, or by reason of the death of an employee, and is also entitled to receive any benefits (other than the proceeds of any life insurance policy) under applicable State workmen's compensation legislation, any payment received by such person under State workmen's compensation legislation shall be credited against any benefits otherwise payable under subchapter 1, chapter 81, as amended. The provisions of section 8147 (b) of title 5, United States Code, shall apply to the Commission."

SEC. 6. Section 201 of the Act is amended to read as follows:

"APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

"SEC. 201. (a) In order to provide a highway system which, in conjunction with the Interstate System and other Federal-aid highways in the Appalachian region, will open up an area or areas with a developmental potential where commerce and communication have been inhibited by lack

of adequate access, the Appalachian Regional Commission is authorized to designate, and approve programs and projects for the construction of an Appalachian development highway system and local access roads serving the Appalachian region, and to advance funds therefor to the Secretary of Transportation (hereafter in this section referred to as the 'Secretary'). The Secretary is authorized to assist in the construction of such development highway projects and access roads in accordance with the provisions of title 23, United States Code, that are applicable to the construction and maintenance of Federal-aid primary and secondary highways, and which the Secretary determines are not inconsistent with this Act. Construction on the development highway system shall not exceed two thousand seven hundred miles. In addition thereto, there are authorized to be constructed not in excess of two thousand miles of local access roads, that will serve specific recreational, residential, educational, commercial, industrial, or other like facilities or will facilitate a school consolidation program.

"(b) The Commission shall transmit to the Secretary its designations of (1) the general corridor location and termini of the development highways, (2) local access roads to be constructed, (3) priorities for the construction of major segments of the development highways, and (4) other criteria for the program authorized by this section. Before

any State member participates in or votes on such designations, he shall have obtained the recommendations of the State highway department of the State which he represents.

"(c) In no event shall the Commission approve any recommendations for any construction which would require for its completion the expenditure of Federal funds (other than funds available under title 23, United States Code) in excess of the appropriations authorization in subsection (g). On its completion each development highway not already on the Federal-aid primary system shall be added to such system and each development highway and local access road shall be required to be maintained by the State as provided for Federal-aid highways in title 23, United States Code.

"(d) In the construction of highways and roads authorized under this section, the States may give special preference to the use of mineral resource materials indigenous to the Appalachian region.

"(e) For the purposes of research and development in the use of coal and coal products in highway construction and maintenance, the Secretary is authorized to require each participating State, to the maximum extent possible, to use coal derivatives in the construction of not to exceed 10 per centum of the roads authorized under this Act.

"(f) Federal assistance to any construction project

under this section shall not exceed 50 per centum of the costs of such project, unless the Commission determines that assistance in excess of such percentage is required in furtherance of the purposes of this Act, but in no event shall such Federal assistance exceed 70 per centum of such costs.

"(g) To carry out this section, there is hereby authorized to be appropriated to the Commission, to be available until expended, the sum of $110,000,000 for the fiscal year ending June 30, 1968; the sum of $255,000,000 for the fiscal year ending June 30, 1969; the sum of $245,000,000 for the fiscal year ending June 30, 1970; and the sum of $105,000,000 for the fiscal year ending June 30, 1971. Unexpended balances of appropriations to the Secretary of Commerce under the authorization in this section prior to amendment by the Appalachian Regional Development Act Amendments of 1967 shall be treated as having been appropriated to the Commission and advanced to the Secretary under an additional authorization in this section, and shall remain available until expended.

"(h) Funds authorized in this section shall be allocated to the member States by the Commission on a date not later than the first day of the fiscal year for which authorized and shall be available for expenditure on approved projects upon allocation.

"(i) (1) When a participating State proceeds to con-

struct a segment of a development highway without the aid of Federal funds, in accordance with all procedures and requirements applicable to the construction of segments of Appalachian development highways with such funds, except insofar as such procedures and requirements limit a State to the construction of projects for which Federal funds have previously been appropriated, the Secretary, upon application by the State, is authorized to pay to the State, at such times, in such amounts and under such terms and conditions as may be approved by the Commission, the Federal share not to exceed 70 per centum of the costs of construction of such segment, from any sums appropriated to carry out this section.

"(2) This subsection shall not be construed as a commitment or obligation on the part of the United States to provide funds for segments of development highways constructed under this subsection, and shall not increase the total amount of construction which the Commission is authorized to approve under subsection (c)."

SEC. 7. Section 202 of the Act is amended to read as follows:

"DEMONSTRATION HEALTH PROJECTS

"SEC. 202. (a) In order to demonstrate the value of adequate health facilities and services to the economic de-

velopment of the region, the Commission is authorized to approve programs and projects for demonstration health programs and projects, and to advance funds therefor to the Secretary of Health, Education, and Welfare. Upon receipt of such Commission approval, the Secretary of Health, Education, and Welfare shall make grants for the planning, construction, equipment, and operation of multi-county demonstration health projects, including hospitals, regional health diagnostic and treatment centers, and other facilities and services necessary to health. Grants for such construction (including the acquisition of facilities and initial equipment) shall be made in accordance with the applicable provisions of title VI of the Public Health Service Act (72 U.S.C. 291–291o), the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), and other laws authorizing grants for the construction of health-related facilities, without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

"(b) No grant for the construction or equipment of any

component of a demonstration health project shall exceed 80 per centum of such costs. The Federal contribution may be provided entirely from funds authorized under this section or in combination with funds provided under other Federal grant-in-aid programs for the construction or equipment of health-related facilities. Notwithstanding section 104 of the Public Works and Economic Development Act of 1965 (79 Stat. 554), or any other provision of law, funds authorized under this section may be used to increase Federal grants for component facilities of a demonstration health project above the maximum portion of the costs of such facilities otherwise authorized by the applicable laws.

"(c) Grants under this section for operation (including initial operating funds and operating deficits comprising among other items the costs of attracting, training, and retaining qualified personnel) of a demonstration health project, whether or not constructed with funds authorized by this section, may be made for up to 100 per centum of the costs thereof for the two-year period beginning, for each component facility or service assisted under any such operating grant, on the first day that such facility or service is in operation as a part of the project. For the next three years of operations such grants shall not exceed 50 per centum of such costs. No grants for operation of a demon-

stration health project shall be made after five years following the commencement of the initial grant for operation of the project.

"(d) The Commission is authorized to provide funds for the support of its Health Advisory Committee and to make grants for expenses of planning necessary for the development and operation of demonstration health projects for the region. The amount of any such grant shall not exceed 75 per centum of such expenses.

"(e) Not to exceed $70,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 8. (a) Subsection (a) of section 203 of the Act is amended to read as follows:

"(a) In order to provide for the control and prevention of erosion and sediment damages in the Appalachian region and to promote the conservation and development of the soil and water resources of the region, the Commission is authorized to approve programs and projects for land stabilization conservation and erosion control, and to advance funds therefor, to the Secretary of Agriculture. Upon receipt of such Commission approval, the Secretary of Agriculture shall enter into agreements of not more than ten years with landowners, operators, and occupiers, individually or collectively,

in the Appalachian region determined by him to have control for the period of the agreement of the lands described therein, providing for land stabilization, erosion and sediment control, and reclamation through changes in land use, and conservation treatment including the establishment of practices and measures for the conservation and development of soil, water, woodland, wildlife, and recreation resources."

(b) Subsection (i) of such section is amended by inserting after "Act" the following: "for the two-fiscal-year period ending June 30, 1969,".

SEC. 9. (a) The portion of subsection (a) of section 204 of the Act preceding clause (1) is amended to read as follows:

"(a) In order that the region shall more fully benefit from the timber stands that are one of its prime assets, the Commission is authorized to approve programs and projects of technical assistance and loans to timber development organizations, and to advance funds therefor, to the Secretary of Agriculture. Upon receipt of such Commission approval, the Secretary of Agriculture shall—".

(b) Subsection (b) of such section is amended to read as follows:

"(b) Not to exceed $4,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period end-

ing June 30, 1969, shall be available to carry out this section."

SEC. 10. (a) The portion of subsection (a) of section 205 of the Act preceding paragraph (2) is amended to read as follows:

"(a) In order to further the economic development of the region by rehabilitating areas presently damaged by deleterious mining practices, the Commission is authorized to approve restoration programs and projects, and to advance funds therefor, to the Secretary of the Interior. Upon receipt of such Commission approval, the Secretary of the Interior is authorized to—

"(1) make financial contributions to States in the region to seal and fill voids in abandoned coal mines and abandoned oil and gas wells, and to reclaim and rehabilitate lands affected by the strip and surface mining and processing of coal and other minerals, including waste piles, in accordance with provisions of the Act of July 15, 1955 (30 U.S.C. 571 et seq.), to the extent applicable, without regard to section 2 (b) thereof (30 U.S.C. 572 (b)) or to any provisions therein limiting assistance to anthracite coal formation, or to the Commonwealth of Pennsylvania. Grants under this paragraph shall be made wholly out of funds specifically appropriated for the purposes of carrying out this Act."

(b) Subsection (b) of such section is amended by striking out "and 1967" and inserting in lieu thereof ", 1967, 1968, and 1969", and by inserting after "restoration projects" a comma and the following: "including land acquisition costs,".

(c) The first sentence of subsection (d) of such section is amended to read as follows: "Not to exceed $39,150,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 11. Subsection (g) of section 206 of the Act is amended to read as follows:

"(g) Not to exceed $2,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 12. Part A of title II of the Act is amended by inserting at the end thereof a new section as follows:

"HOUSING PROGRAM INCENTIVES

"SEC. 207. (a) In order to encourage and facilitate the construction of housing to meet the needs of low- and medium-income families and individuals in the Appalachian region, by making possible wider use in the region of section 221 of the National Housing Act, the Commission is authorized to approve programs and projects and to advance funds

therefor, to the Secretary of Housing and Urban Development. The Secretary of Housing and Urban Development is authorized to make low-interest and interest-free loans and grants for approved programs and projects, under such terms and conditions as he may require, to private nonprofit corporations or other private nonprofit legal entities, limited dividend corporations or other limited dividend legal entities, cooperative housing corporations, and public bodies or agencies, both regional and local in scope. These funds shall be used to meet up to 80 per centum of the reasonable costs, including technical services, incidental to the initial planning for, and the construction or rehabilitation of housing in any area of the Appalachian region determined by the Commission to have significant potential for future growth, which costs are reasonably incurred prior to the availability of mortgage or other permanent financing for such housing and in anticipation thereof: *Provided,* That the Secretary shall require repayment of any funds used for costs subsequently included in a mortgage insured under section 221 of the National Housing Act or for costs which the Secretary determines could reasonably have been included in such mortgage: *And provided further,* That the non-Federal share of such costs may be in cash, or in kind, fairly evaluated, including but not limited to space, equipment, and services.

"(b) All funds appropriated for the purposes of this section shall, after advance by the Commission, be deposited in a fund which shall be known as the Appalachian Housing Fund and shall be used as a revolving fund by the Secretary of Housing and Urban Development for carrying out the provisions of this section. General expenses of administration of this section may be charged to such fund. Moneys in such fund not needed for current operation may be invested in bonds or other obligations guaranteed as to principal and interest by the United States.

"(c) Not to exceed $5,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 13. Section 211 of the Act is amended to read as follows:

"VOCATIONAL EDUCATION FACILITIES

"SEC. 211. (a) In order to provide basic facilities to give the people of the region the training and education they need to obtain employment, the Commission is authorized to approve programs and projects for construction of vocational education facilities, and for equipment of both existing and new facilities, and to advance funds therefor, to the

Secretary of Health, Education, and Welfare. Upon receipt of such Commission approval, the Secretary of Health, Education, and Welfare shall make grants for construction and equipment of the school facilities needed in accordance with the provisions of the Vocational Education Act of 1963 (77 Stat. 403), without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

"(b) Not to exceed $18,000,000 of the funds authorized in section 401 for the two-fiscal-year period ending June 30, 1969, of this Act shall be available to carry out this section."

SEC. 14. Section 212 of the Act is amended to read as follows:

"SEWAGE TREATMENT WORKS

"SEC. 212. (a) In order to provide facilities to assist in the prevention of pollution of the region's streams and to protect the health and welfare of its citizens, the Commission is authorized to approve programs and projects for the construction of sewage treatment works, and to advance funds therefor to the Secretary of the Interior. Upon receipt of

such Commission approval, the Secretary of the Interior shall make construction grants in accordance with the provisions of the Federal Water Pollution Control Act (33 U.S.C. 466 et seq.), without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States pursuant to any other provision of law.

"(b) Not to exceed $6,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 15. (a) Section 701(a) of the Housing Act of 1954 (40 U.S.C. 461(a)) is amended by striking out "and" at the end of clause (8) and all of clause (9) and inserting in lieu thereof the following:

"(9) the Appalachian Regional Commission, for comprehensive planning for the Appalachian region as defined by section 403 of the Appalachian Regional Development Act of 1965; and

"(10) local development districts, certified under section 301 of the Appalachian Regional Development Act of 1965, for comprehensive planning for their entire areas,

or for metropolitan planning, urban planning, county planning, or small municipality planning within such areas in the Appalachian region, and for planning for Appalachian regional programs."

(b) The first sentence of section 701 (b) of the Housing Act of 1954 is amended by striking out "to States participating in planning for Appalachian regional programs, for expenses incurred in the course of such planning, or to the Appalachian Regional Commission" and inserting in lieu thereof the following: "to States and local development districts participating in planning for Appalachian regional programs, for expenses incurred in the course of such planning, or to the Appalachian Regional Commission".

SEC. 16. Section 214 of the Act is amended to read as follows:

"SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

"SEC. 214. (a) In order to enable the people, States, and local communities of the region, including local development districts, to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the Commission is authorized to approve programs and projects and to advance funds appropriated to carry out this section to the heads of the departments, agencies, and instrumentalities

of the Federal Government responsible for the administration of such Federal grant-in-aid programs. Funds so advanced shall be used for the sole purpose of increasing the Federal contribution to projects under such programs above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. Funds shall be so advanced for Federal grant-in-aid programs for which funds are available under the Act authorizing such programs. Such advanced funds shall be available without regard to any appropriation authorization ceilings in such Act.

"(b) The Federal portion of such costs shall not be increased in excess of the percentages established by the Commission, and shall in no event exceed 80 per centum thereof.

"(c) The term 'Federal grant-in-aid programs' as used in this section means those Federal grant-in-aid programs authorized by this Act for the construction or equipment of facilities, and all other existing or future Federal grant-in-aid programs that the Commission may designate as furthering the purposes of this Act, authorized by Acts other than this Act for the acquisition of land and the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service

Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958. The term shall not include (A) the program for the construction of the development highway system authorized by section 201 of this Act or any other program relating to highway or road construction, or (B) any other program for which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act.

"(d) Not to exceed $90,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 17. Section 223 of the Act is amended to read as follows:

"PROGRAM IMPLEMENTATION

"SEC. 223. A program and projects authorized under any section of this title shall not be approved for assistance by the Commission until (1) applications and plans relating to such programs and projects have been submitted to the Federal officer having responsibility for implementing such programs and projects, and such applications and plans have been determined, except as otherwise provided in this Act,

to be in accordance with the provisions of the Federal laws which they administer; and (2) the Commission has determined that such program and projects meet the criteria established by this Act, and will contribute to the development of the Appalachian region, which determinations shall be binding on the implementing Federal agencies."

SEC. 18. Section 224(a) of the Act is amended by striking out "In developing recommendations on the" and inserting in lieu thereof the following: "In approving".

SEC. 19. Subsections (a), (b), and (c) of section 302 of the Act are amended to read as follows:

"(a) The Commission is authorized—

"(1) to make grants to State members of the Commission for technical services and administrative expenses of local development districts, but (A) the amount of any such grant shall not exceed 75 per centum of such expenses, (B) no grants for administrative expenses shall be made for a local development district for a period in excess of three years beginning on the date the initial grant is made for such development district, and (C) the local contributions for administrative expenses may be in cash or in kind, fairly evaluated, including but not limited to space, equipment, and services; and

"(2) either directly or through arrangements with appropriate public or private organizations, to provide

funds for investigation, research, studies, technical assistance, and demonstration projects, and for training programs, but not for construction purposes, which will further the purposes of this Act.

"(b) Recipients of Federal assistance under the provisions of this section shall, as required by the Commission, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the Commission. The records of the recipient shall be available for audit with respect to such grants by the Commission and the Comptroller General or their duly authorized representatives.

"(c) Not to exceed $10,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 20. Section 303 of the Act is amended to read as follows:

"PROJECT APPROVAL

"SEC. 303. An application for a grant or for any other assistance for a program or project under this Act shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate such application for approval. Only applications for pro-

grams and projects which are approved by a State member as meeting the requirements for assistance under the Act shall be approved for assistance by the Commission."

SEC. 21. Section 401 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 401. (a) In addition to the appropriations authorized in section 201 for the Appalachian development highway system and local access roads, there is hereby authorized to be appropriated for the two-fiscal-year period ending June 30, 1969, to be available until expended, not to exceed $263,150,000 to the Commission to carry out this Act. The Commission is authorized, from funds appropriated under this section, to advance, from time to time, to the heads of the appropriate departments or agencies for the purposes of carrying out the various sections of this Act, such funds as the Commission approves within the ceilings established in the different sections of this Act.

"(b) Unexpended balances of appropriations under the authorization in this section prior to amendment by the Appalachian Regional Development Act Amendments of 1967 shall be treated as having been appropriated to the Commission and shall remain available until expended."

SEC. 22. (a) Section 403 of the Act is amended by in-

serting after the clause relating to the counties in Maryland the following:

"In Mississippi, the counties of Alcorn, Attala, Benton, Calhoun, Chickasaw, Choctaw, Clay, Grenada, Itawamba, Kemper, Lafayette, Lee, Lowndes, Marshall, Monroe, Montgomery, Noxubee, Oktibbeha, Pontotoc, Prentiss, Tippah, Tishomingo, Union, Webster, Winston, and Yalobusha;

"In New York, the counties of Allegany, Broome, Cattaraugus, Chautauqua, Chemung, Chenango, Cortland, Delaware, Otsego, Schuyler, Steuben, Tioga, and Tompkins;".

(b) Such section is further amended by striking out the colon following "West Virginia" and all of the remainder of such section and inserting in lieu thereof a period.

SEC. 23. (a) Section 302 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 842) is amended by inserting after the first sentence of subsection (a) the following new sentence: "The Commissioner also shall reserve such amount as he may determine for grants to the Appalachian Regional Commission for educational planning and research in connection with its comprehensive planning for the Appalachian region as defined under section 403 of the Appalachian Regional Development Act of 1965.".

(b) Section 303 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 843) is amended by in-

serting after "SEC. 303. Grants", the phrase "to a local education agency".

(c) Section 304 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 844) is amended by inserting after "Applications for grants" in subsection (b), the phrase "to a local education agency".

(d) Section 502 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 862) is amended by inserting after the first sentence of subsection (a) (1) the following new sentence: "The Commissioner also shall reserve such amount as he may determine for grants to the Appalachian Regional Commission for educational planning and research in connection with its comprehensive planning for the Appalachian region as defined under section 403 of the Appalachian Regional Development Act of 1965.".

(e) Section 505 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 865) is amended by inserting before the period at the end of the section the following: ", and for grants to the Appalachian Regional Commission for educational planning and research in connection with its comprehensive planning for the Appalachian region as defined under section 403 of the Appalachian Regional Development Act of 1965".

90TH CONGRESS
1ST SESSION

S. 602

A BILL

To revise and extend the Appalachian Regional Development Act of 1965.

By Mr. RANDOLPH, Mr. COOPER, Mr. BAKER, Mr. BARTLETT, Mr. BAYH, Mr. BREWSTER, Mr. CLARK, Mr. DODD, Mr. EASTLAND, Mr. ERVIN, Mr. GRUENING, Mr. HART, Mr. HARTKE, Mr. HILL, Mr. INOUYE, Mr. JAVITS, Mr. JORDAN of North Carolina, Mr. KENNEDY of Massachusetts, Mr. KENNEDY of New York, Mr. LAUSCHE, Mr. MONTOYA, Mr. MORSE, Mr. MORTON, Mr. MOSS, Mr. PELL, Mr. RIBICOFF, Mr. RUSSELL, Mr. SCOTT, Mr. SPARKMAN, Mr. SPONG, Mr. STENNIS, Mr. TYDINGS, Mr. YARBOROUGH, and Mr. YOUNG of Ohio

JANUARY 23 (legislative day, JANUARY 19), 1967
Read twice and referred to the Committee on Public Works

trust fund—putting it in a temporary freeze, so to speak—was so that the Government could borrow on the fund at a very low interest rate.

Is it the understanding of the Senator from West Virginia, as it is my understanding, that the President and the Director of the Budget gave us some assurance last Thursday night that there has been no intention to borrow from these funds? I got that understanding. I got the understanding that even though they might be putting them in the temporary freeze, or the icebox, as it were, no one was going to touch the fund, in that respect.

I believe that is encouraging, for if the Treasury gets into the habit of borrowing from the trust fund at a low interest rate, it could encourage the duration of the freeze.

The Senator has made a contribution in that respect. I believe that all of us are happy that the subcommittee of which the Senator is chairman is going to hold hearings on this matter, because keeping up with roadbuilding in this country is a most difficult problem.

There are several Senators who will appear to discuss the Interstate Highway System with the distinguished committee, wherein there may be a little problem, sometimes involving less than 50 miles in order to make the Interstate Highway a much more efficient one, due to the fact that many of the programs laying out the Interstate Highway System were submitted 10 or 12 years ago. Populations may have shifted and conditions may be different, and we may be coming in to ask for modest, very modest extensions.

Mr. RANDOLPH. Extensions of 1,000 miles perhaps.

Mr. MAGNUSON. Perhaps 1,000 miles would take care of the matter; perhaps 41,000 miles instead of 42,000 miles. The Senator from Alaska indicated that he would like 1 mile in Alaska, and we said we would give 2, which would mean an increase of 100 percent.

There is a serious problem in that respect and it is going to be much more difficult to settle if there is no light at the end of the tunnel; that is, that we are going to use these funds for the purpose for which it was stated they were going to be used.

I do not think that we can keep up with the traffic problem. We are always behind. Thus, I compliment the Senator on his talk. I think he is doing a sevice to point out the unique character of the highway funds. They are a little different from ordinary taxpayers' funds.

Mr. RANDOLPH. As the Senator has said so well, the President is concerned—as are we—about this situation.

Mr. MAGNUSON. Yes.

Mr. RANDOLPH. I would think that if they borrowed from the highway trust fund, if contemplated, and the President indicated that it was not, that would defeat the anti-inflationary feature.

Mr. MAGNUSON. Yes, I agree. Of course, it would be getting money at a much cheaper rate.

Mr. RANDOLPH. That is right.

Mr. MAGNUSON. It would be limited to the short term, but the Senator and I know, after all these years in the Senate, that once we start to find sources of cheaper money, it will be difficult to get the trust fund to open up again. Too often it might be used for that purpose. But, however, I am encouraged. I think the Senator from West Virginia understands that we can get this matter taken care of.

Mr. RANDOLPH. Yes. I think that section 209(e), of the Trust Fund Act requires that. It allows the Government to borrow money at a low rate of interest for other purposes.

Mr. MAGNUSON. Yes. I think it was emphatic that there was no intention to do that. I hope that they carry it out.

Mr. RANDOLPH. I am sure that we can find areas of affirmative action, even though the order of November has caused concern among Members of the Senate with respect to the continuation of the highway building programs in their States.

INTRODUCTION OF BILL—APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1967

Mr. RANDOLPH. Mr. President, I introduce, for appropriate reference, on behalf of myself, Senator JOHN SHERMAN COOPER, and other Members, a bill to supplement and amend the Appalachian regional development program. This legislation is designed to reauthorize the programs developed to assist in the economic revival of the 12-State region known as Appalachia.

What we are proposing is an authorization on the same scale as that which was approved by Congress in 1965. At that time, excluding the Appalachian highway system, we authorized $252,400,000 to carry out the program. This year we will consider a bill which would authorize the expenditure of $263,150,000. These authorizations would cover fiscal years 1968 and 1969.

The concept of Appalachia as a working partnership between the States and the Federal Government has proven itself in the 2 years the program has been in existence. Experience has indicated the need for certain changes.

The bill, which we introduced today, is designed to effect changes within the framework of original legislation. There are certain additional Federal programs which will be included under the umbrella of the Appalachian Regional Commission. Among these are low-income housing under the provisions of section 221 of the Housing Act of 1954, the extension of the availability of planning money under section 701 of the Housing Act of 1954 to the so-called local development districts, and planning under the Elementary and Secondary Education Act of 1965.

Pursuant to a recent note of the State members of the Commission 26 counties located in Mississippi would be added to the definition of the term "Appalachian Region."

The major change which we are presenting for comment would provide that the appropriation of funds for Appalachian regional development would be made directly to the Commission.

Based on the experience of the past 2 years, especially in view of the modest nature of the program when broken down into its constituent elements, the inclusion of appropriation requests for particular Appalachian programs in the larger budgets of executive departments which are responsible for implementing the individual programs, has deprived the Commission of the ability to propose, prepare, present and fight for the money it needs to make the total program work.

Another suggested amendment which would give the Commission itself the authority to approve programs likewise appears necessary if the program is to fulfill the promise it now holds for the revitalization of the Appalachian region. The partnership which I mentioned before is such that once any State involved has requested a particular project—and the Commission, including the Federal Cochairman—reviews and recommends it, it seems unnecessary and somewhat cumbersome for the agency carrying out the Federal portion of the program to have the final word on whether or not the program will in fact become a reality.

We undertook this program in 1965, in part, as an experiment in creative federalism. We looked to it as a test of the ability of State and local governments to more adequately meet their needs. If they are to do this, it seems to sponsors that we must give them the final word. The Federal interests in these programs will be properly and fully protected by the Federal cochairman, as has been so ably demonstrated by Federal Cochairman John Sweeney.

The Special Subcommittee on Economic Development will begin hearings on this legislation next week. These hearings will begin on January 24, and extend through January 25, 26 and 31, and February 1 and 2.

We will hear from the State cochairman of the Appalachian Regional Commission, the Honorable Hulett Smith, Governor of West Virginia, and from the Honorable John Sweeney, the Federal Cochairman, Members of the Senate, as well as from representatives of the Federal agencies who are involved in the Appalachian effort. These representatives, I might add, will be those members of the agencies who have the direct line responsibilities for carrying out the projects which heretofore have been recommended by the Appalachian Regional Commission. In addition, we will hear from a number of interested private citizens and groups.

The committee looks forward to these hearings as an opportunity to measure the success of the program, to test its strengths and to review its weaknesses. When we have completed our deliberations, we will report legislation which we are hopeful will enlist the full support of Members of the Senate.

Mr. President, we are glad that the President formally recommended such an extension of the Appalachian Regional Development Act, in a message to the Congress last week, and I ask unanimous consent to have a copy of the President's letter to the Vice President printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
January 20, 1967.

HON. HUBERT H. HUMPHREY,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I recommend that the Congress extend the Appalachian Regional Development Act of 1965.

The Act was conceived in a true spirit of partnership. It was originated by the Governors of the Appalachian states. It was formed in close cooperation with the Executive Branch. And it was approved by the Congress of all the people.

That partnership has flourished. Working together through the Appalachian Regional Commission, the 12 Governors and the Federal Co-Chairman are bringing new hope—human and economic—to the 18 million people who live in Appalachia.

Today, there is a spirit of opportunity and purpose in a region where once prospects were bleak and hopes were dim.

Because of the work done by the Commission and cooperating Federal, state and local agencies—

51 hospitals have been completed or are under construction;

52 vocational education schools are being built;

Work is underway on 790 miles of the development highway system;

New libraries, airports, college classrooms and water resource projects are being pursued to completion;

Thousands of workers have been trained, hired and added to the payrolls.

During the past 2 years, the Appalachian partnership has proved the wisdom of cooperative Federal-state relationships. Let us continue that partnership for there is still much to be done to bring into Appalachia a full share of America's prosperity.

I therefore urge an extension of the Appalachian program in substantially the same form as it was enacted in 1965. I hope that the Commission's success in the past will insure its continuance in the future.

In my State of the Union Message, I expressed by intention to submit to the Congress a proposal to merge the present Deaprtments of Commerce and Labor into a single Cabinet-level Department. When that proposal is forwarded to the Congress, it will contain a recommendation that Federal activities relating to regional economic development and depressed areas be coordinated through the new Department. This Department would then have the basic responsibility for the Federal government's efforts in all of the regional commissions that have been or soon will be established, including the Appalachian Regional Commission.

In the meantime, I urge the Congress to extend the authorization for the Appalachian regional program.

Sincerely,

LYNDON B. JOHNSON.

Mr. RANDOLPH. Mr. President, I also ask that the bill lie on the desk for 10 days for additional cosponsors.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, will be held at the desk for 10 days, as requested by the Senator from West Virginia.

The bill (S. 602) to revise and extend the Appalachian Regional Development Act of 1965, introduced by Mr. RANDOLPH (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Public Works.

Mr. COOPER. Mr. President, I am glad to join in introducing the Appalachian Regional Development Act Amendments of 1967 with my good friend the Senator from West Virginia [Mr. RANDOLPH], who has exercised great leadership in this field, no only on behalf of his own State and for the people of the Appalachian region, but also as a member and now chairman of the Senate Committee on Public Works.

A great deal of the support which led to the Appalachian regional development program came from Kentucky, and following the report of the President's Appalachian Regional Commission to President John F. Kennedy, containing the recommendations of the Governors, legislation was recommended, which I cosponsored with the Senator from West Virginia, and which was passed by the Senate in 1964.

President Johnson has taken great interest in the problems of the region, and we are glad that he has given the Appalachian development program full support. In 1965, I again joined Senator RANDOLPH in introducing S. 3, the Appalachian Regional Development Act, which was cosponsored by 45 other Members of the Senate, and which became law March 9, 1965.

The Appalachian program has brought new hope to the people of the region, and stands today as an outstanding example of State initiative, and cooperation with the Federal Government. In Kentucky work is already underway on 341 miles of roads within the Appalachian development highway system, of which 61 miles is in construction, and for which $60 million of the $300 million appropriated for this system has been allocated to Kentucky.

There has also been approved for Kentucky nearly $6 million in supplemental grant funds for vocational education, hospitals, libraries and other projects. The State has chosen to devote chief emphasis under the Appalachian program to construction of vocational educational facilities, and is also participating effectively in the land stabilization, conservation, and erosion control program.

One of the greatest accomplishments under the act, I think, is its demonstration that a group of States, different in many characteristics but having problems in common, can work so effectively, through their Governors, toward the solution of those problems with Federal cooperation and assistance.

The Appalachian Regional Development Act of 1965 included authorization for 6 years for its principal program, the Appalachian development highway system. However, authorization for appropriations through June 30, 1967, was provided for the other programs to be carried out under the act. Therefore, it is necessary to renew that authorization this year, and the Public Works Committee has scheduled hearings to begin tomorrow on the extension of the Appalachian program.

The bill Senator RANDOLPH and I introduce today, entitled "The Appalachian Regional Development Act Amendments of 1967," will continue for 2 years the programs for demonstration health facilities; land stabilization, conservation and erosion control; mining area restoration; vocational educational facilities; sewage treatment works, and grant-in-aid supplements. It proposes an authorization of $263 million, compared to $252 million authorized for the first 2 years, for these and all other programs under the act, except the highway system.

The second chief effect of the bill would be to provide that the appropriation of funds would be made directly to the Appalachian Regional Development Commission, which would then transfer funds to the operating agencies which carry out its programs.

The bill as it has been prepared proposes certain other changes, to be considered during the hearings and by our committee, and I ask unanimous consent that a brief explanation of the proposed bill and a summary of Appalachian program funds be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. COOPER. Mr. President, the Appalachian Regional Development program is directed to a great and evident need, recognized by the Congress and the people of our country. The 18 million people living in the hills and valleys in the Appalachian region of a dozen States—including eastern Kentucky—have already seen the first results of this program providing support for transportation and flood protection, and for education and community development. As the Congress gives evidence of its continued support for this program, we know they will continue to work to make their contribution, and achieve a level of productivity and of living in which they and the Nation will take pride.

I am grateful to my friend from West Virginia, Senator RANDOLPH, for his work and for his kind words. I will join him in the Public Works Committee, and during the hearings of our Special Subcommittee on Economic Development, to secure full consideration of these proposals, and to bring a bill before the Senate.

I hope that other Members of the Senate will again join us in support of the Appalachian Regional Development program. It will benefit the Appalachian States, it is true, but it will also benefit the Nation.

EXHIBIT 1

APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1967

The bill would—

1. Authorize appropriations for the period ending June 30, 1969, for all programs under the Act except the Appalachian Development Highway System—in effect continuing for two years financial assistance for Demonstration Health Facilities (Sec. 202); Land Stabilization, Conservation, and Erosion Control (Sec. 203); Timber Development Organizations (Sec. 204); Mining Area Restoration (Sec. 205); Vocational Educational Facilities (Sec. 211); Sewage Treatment Works (Sec. 212), and Supplements to Federal Grant-in-Aid Programs (Sec. 214).

The new authorization proposed for Section 401, which provides funds for these programs, is $263,150,000. This compares to $252,400,000 authorized for the period ending June 30, 1967.

2. Increase from 2,350 to 2,700 miles the length of the Appalachian development highway system, and from 1,000 to 2,000 the

mileage of local access roads to be constructed. (Appropriation authority for this program is already provided in Sec. 201, effective through June 30, 1971 when the Act terminates.) The existing authorization of $840 million would be increased $175 million by providing, in addition to the $300 million already appropriated, specific fiscal year authorizations as follows: 1968—$110 million; 1969—$255 million; 1970—$245 million; 1971—$105 million.

The 350 miles added to the development highway system would provide for a highway corridor in New York State (added to the Region following a Senate amendment), and a connecting link in Pennsylvania. $140 million of the new authorization is for this purpose; the remaining $35 million is for the local access roads.

3. Authorize the Appalachian Regional Development Commission to approve for assistance the programs and projects authorized by the Act, and to advance funds appropriated under the Act to the departments and agencies implementing those programs and projects.

Applications for programs and projects are now approved for assistance by the Commission, following approval by the State member (Sec. 303). Programs and projects may not be implemented until plans for them have been recommended by the Commission, submitted to and approved or modified by the President or his designate (Sec. 223).

The amendments would permit the Commission to testify to the appropriations for the Appalachian program (now within the agency budgets at Commerce, HEW, Agriculture and Interior) by directing the appropriation to the Commission, which would then advance funds for its programs to the operational agencies.

4. Authorize a loan program under Section 221 of the National Housing Act, limited to $5 million of the funds authorized by Section 401, to be deposited in a revolving fund.

5. Add 26 counties in Mississippi to the Appalachian region.

6. Also include provisions to: Authorize the States to construct segments of the development highway system in advance of appropriations. Provide Commission employees certain Federal service credits. Reimburse the cost of attracting, training and retaining personnel at a demonstration health project. Add abandoned oil and gas wells, waste piles, and land acquisition costs, to the mining area restoration authority. Add "equipment" to the vocational educational facilities grant authority. Make local development districts eligible for planning grants under Section 701 of the Housing Act of 1954. Authorize grants under the Elementary and Secondary Act of 1965 to local education agencies and the Commission for educational planning and research. Transfer from the Secretary of Commerce to the Commission the authority to make grants for administrative expenses (and technical services) of local development districts.

(Summary prepared for Senator Cooper.)

Appalachian program funds (except development highways)

[In millions of dollars]

	Authorized, first 2 years [1]	Appropriated	Proposed, next 2 years [2]
Sec. 105. Administration	2.4	2.39	2
Sec. 202. Demonstration health facilities	69.0	23.5	70
Sec. 203. Land stabilization, conservation, erosion control	17.0	10	17
Sec. 204. Timber development organizations	5.0	1	4
Sec. 205. Mining area restoration	36.5	24.85	39.15
Sec. 206. Water resource survey	5.0	3.3	2
Sec. 207. Housing			5
Sec. 211. Vocational education facilities	16.0	16	18
Sec. 212. Sewage treatment works	6.0	6	6
Sec. 214. Grant-in-aid supplements	90.0	75	90
Sec. 302. Local development districts	5.5	5.25	10
Total under sec. 401	252.4	167.29	263.15

[1] Authorized by act of Mar. 9, 1965, for period through June 30, 1967.
[2] Proposed by amendments of 1967, for period through June 30, 1969.

NOTE.—Does not include 6-year total of $840,000,000 for development highway system authorized by act of 1965 proposed to be increased $175,000,000 by amendments of 1967.
(Prepared for Senator Cooper.)

SENATE RULES—AMENDMENT OF RULE XXII, RELATING TO CLOTURE

Mr. HOLLINGS. Mr. President, at the advent of Telstar, someone remarked, Was it not a shame that the greatest breakthrough in communications in the history of man should come at a time when man had nothing to say?

Called upon to make my maiden address, it also comes at a time when I have nothing to say that has not been said before—far more eloquently and with greater authority.

One significant thing should be observed first, however, and that is that the Presiding Officer, the Vice President of the United States, has put to rest the doubt with respect to the U.S. Senate being a continuing body.

It has been stated that the entire matter of rule XXII began with the introduction by the Senator from South Dakota [Mr. MCGOVERN], of Resolution 6. However, I should like to think that the controversy really began on December 20 of last year, in a memorandum prepared by the American Law Division of the Library of Congress, entitled "Revision of Senate Rules at the Opening of a New Congress," and signed by Vincent A. Doyle, legislative attorney, referring to the fact that the Presiding Officer could really rule that the Senate could set aside, by majority vote, its present rules of itself being a continuing body without the Presiding Officer taking a stand.

Referring to the memorandum, it states on page 1:

You have asked what procedures and suggested rulings seem to be most defensible and logical for placing before the Senate at the opening of a new Congress the question of the constitutional right of the majority to terminate debate on modification of Rule XXII. There is general agreement that the Presiding Officer cannot and should not decide the constitutional issue. There is, however, some disagreement about whether, in the absence of a unanimous consent agreement, there is any way, short of adopting a cloture petition, for the Senate to decide the issue unless the Presiding Officer simply puts the question to the Senate for a vote without debate.

There are some who argue that any ruling of the Chair which permits a vote on the constitutional issue without following Rule XXII is in effect a decision by the Chair on the constitutional issue.

Not so, says the memorandum.

Mr. President, I ask unanimous consent to have the entire memorandum printed in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

THE LIBRARY OF CONGRESS,
Washington, D.C., December 20, 1966.
From: American Law Division.
Subject: Revision of Senate Rules at the Opening of a New Congress.

You have asked what procedures and suggested rulings seem to be most defensible and logical for placing before the Senate at the opening of a new Congress the question of the constitutional right of the majority to terminate debate on modification of Rule XXII. There is general agreement that the Presiding Officer cannot and should not decide the constitutional issue. There is, however, some disagreement about whether, in the absence of a unanimous-consent agreement, there is any way, short of adopting a cloture petition, for the Senate to decide the issue unless the Presiding Officer simply puts the question to the Senate for a vote without debate.

There are some who argue that any ruling of the Chair which permits a vote on the constitutional issue without following Rule XXII is in effect a decision by the Chair on the constitutional issue. Not so. Given an opportunity to vote, the majority might decide that Rule XXII was not unconstitutional. A ruling that debate must continue until cloture be invoked under Rule XXII is more nearly characterized as a decision by the Chair on the constitutional issue because it might effectively prevent the Senate from deciding the issue. Ideally, however, the parliamentary situation should develop so that the Vice President need give no ruling, nor even an opinion, on the constitutional issue. Such a development seems possible, though, to be sure, a new trail would be blazed. It is a trail, however, marked by some favorable precedents.

One parliamentary fact of life sometimes overlooked is that the Rule XXII procedure is not the only one available for limiting or terminating debate on a matter. Watkins and Riddick in *Senate Procedure* list 27 nondebatable matters (S. Doc. No. 44, 88th Cong., 1st Sess., pp. 325–327). If the constitutional issue were so framed that the Senate could vote upon it as a non-debatable matter, there would be no need for a decision of the Chair on the issue. In his remarks at the opening of the 85th, 86th and 87th Congresses, Vice President Nixon pointed the way. Perhaps the most significant of his comments were made in 1959:

"If, for example, during the course of the debate on the motion of the Senator from Texas, which deals with changing the rules, a Senator believes that action should be taken and debate closed, such Senator at that time could, in the opinion of the Chair, raise the constitutional question by moving to cut off debate. The Chair would indicate his opinion that such a motion was in order but would submit the question to the Senate for its decision." 105 Cong. Rec. 9.

And later in that session he said:

"A constitutional question would be presented if the time should come during the course of the debate when action on changing the rules should seem unlikely because of extended debate. At that point any Member of the Senate, in the opinion of the

Chair, would have the right to move to cut off debate. *Such a motion would be questioned by raising a point of order.* At that point the Chair would submit the question to the Senate on the ground that a constitutional question had been raised because of the Chair's opinion that the Senate, at the commencement of a new Congress, has the power to make its rules. That power, in the Chair's opinion, cannot be restricted even by action of the Senate itself, which would be the case where the membership of the Senate in one Congress has attempted to curtail the constitutional right of the membership of the Senate in another Congress to adopt its rules." 105 Cong. Rec. 103 (underlining added).

Although these statements pointed the way, we cannot know for certain where Vice President Nixon's path might have led because that year the Senate voted on a resolution to amend Rule XXII under the terms of a unanimous consent agreement. The Nixon path was not followed in 1961 because the rules change resolution was referred to committee and by the time it reached the floor again Vice President Johnson was in the Chair and a vote to invoke cloture failed by a vote of 37–43.

The Senate proceedings in 1963, in connection with S. Res. 9, deserve careful consideration. As the situation was described by Joseph L. Rauh in his memorandum of October 14, 1966, prepared for the Leadership Conference on Civil Rights:

"In January *1963*, the times were ripe for victory. A clear majority of the Senators favored changing Rule XXII at the opening of the Senate of the 88th Congress. With this majority behind him, Senator Anderson, the floor leader of the effort to change Rule XXII, moved to close debate under the Constitution and the Nixon advisory rulings; this move was frustrated when Vice President Johnson put the Anderson motion to close debate to the Senate for *debate* instead of *for a vote* (as Vice President Nixon had indicated he would have done). Putting the Anderson motion to close debate to the Senate *for debate,* of course, had the effect of killing the motion; this forced the supporters of a change in Rule XXII to a cloture motion which was lost 54–42 (less than two-thirds)." Rauh memo, *supra,* p. 3.

There are at least two observations to be made about this account. First, from Vice President Nixon's remarks, it is not at all certain that he would have proceeded to put the motion to close debate to an immediate vote. What he said at 105 Cong. Rec. 103 was that when the motion to cut off debate was made, *"Such a motion would be questioned by raising a point of order"* (underlining added). Second, what Vice President Johnson did in 1963 was to decide himself that the Anderson motion raised a constitutional question rather than wait for a Member of the Senate to make a point of order against the motion. Senator Anderson sent the following motion to the desk:

"I move under the Constitution that without further debate the Chair submit the pending question to the Senate for a vote." (The pending question was the motion to proceed to the consideration of S. Res. 9 to amend Rule XXII).

Immediately, the Vice President spoke as follows:

"The VICE PRESIDENT. This motion raises explicitly a constitutional question. There have been 38 previous occupants of this chair, and the Parliamentarian informs me that all of the decisions have been uniform, that the Presiding Officer does not have the authority to rule on a constitutional matter. The Chair is in full agreement with those precedents, because the Vice President cannot make a decision for 100 Senators, unless he has previously been granted the authority to make that decision. . . .

"This the Senate can do by a majority vote. Therefore, the Chair submits the question:

"Does a majority of the Senate have the right under the Constitution to terminate debate at the beginning of a session and proceed to an immediate vote on a rule change notwithstanding the provisions of existing Senate rules?" 109 Cong. Rec. 1214.

The Vice President was not required to make his own determination that the Anderson motion presented a constitutional question. He could have, and on many occasions other Presiding Officers have, waited until a Senator had made a point of order against the motion. Had he waited for a point of order, the question submitted to the Senate (for debate because points of order submitted to the Senate are ordinarily debatable) would have been something like:

"Shall the point of order against the Anderson motion on the grounds that it is authorized by neither the Constitution nor he rules of the Senate be sustained?"

This difference in the manner in which the question arises and the way it is framed for the Senate's decision makes all the difference in the world in what a majority can decide. As you know, a motion to table is not debatable. A motion to table a question like that presented to the Senate in 1963 is in effect a motion to table the Anderson motion. A motion to table the point of order against the Anderson motion, if successful, however, would in effect be a rejection by the Senate of the point of order. As Senator Russell said in 1957, after Vice President Nixon had submitted to the Senate for debate and decision a point of order made by Senator Russell and had ruled that a motion to table would be in order:

"I wish to make it perfectly clear that there is a rule, of course, that when a point of order to a ruling is pending, if a motion to table is made and the motion prevails, it is the sense that the point of order was not well taken and the precedent would be established against the point of order." 103 Cong. Rec. 9817.

His colloquy with the Vice President continued:

"The Chair rules, as I understand, that were the Chair by his own action has submitted a point of order to the Senate for determination, that a motion to table would lie?

"The VICE PRESIDENT. Under Rule XXII, in the opinion of the Chair, that is a question to which a point of order would lie.

"Mr. RUSSELL. When the motion is made, a Senator could protect himself by a point of order against a motion to table. Is that correct?

"The VICE PRESIDENT. A Senator can always appeal from the decision of the Chair, if that is what the Senator from Georgia refers to."

If we assume that debate on a rules change at the beginning of the 90th Congress proceeds as it did in the 89th Congress, a different result can be reached if a proponent of the change makes a motion something like:

I move that the Senate, immediately and without further debate (or with a specific time for debate, perhaps allowing one hour for each Senator) direct the Chair to submit to the Senate for a vote the following questions:

1. Shall the Senate adopt the X amendment to the Y substitute for the Z motion to change the Senate rules? (majority of those present and voting);

2. Shall the Senate adopt the Y substitute (as amended or not by the preceding vote) to the Z motion to change the Senate rules? (constitutional majority);

3. Shall the Senate adopt the Z motion (as amended or not by the preceding votes) to change the Senate rules? (three-fifths of those present and voting);

and, that the Senate further direct the Chair to put to the Senate for a vote the question on the adoption of this motion, without further debate, immediately after the Senate has decided that this motion is proper by refusing to sustain a point or order against it, whether by approving a motion to table the point of order or otherwise.

Immediately after the motion was made, the Vice President could recognize a Senator whom he knew would make a point of order against the motion in language something like:

I make the point of order that this motion is improper and not authorized by the Constitution or rules of the Senate.

The Vice President would submit the point of order to the Senate for debate because it raises a constitutional question. The question he would submit is: "Shall the point of order that the motion is improper because not authorized by the Constitution or rules of the Senate be sustained"?

To parliamentary inquiries, the Vice President would reply that the majority of the Senate by failing to sustain the point of order would be directing him to proceed as the motion provides.

After debate had proceeded for some time a proponent of the rules change would make a motion to table. "A motion to lay on the table a point of order submitted to the Senate is in order and not debatable." Watkins and Riddick; *supra,* p. 473 As Senator Russell acknowledged (103 Cong. Rec. 9817), "if a motion to table is made and the motion prevails, it is the sense that the point of order was not well taken, and the precedent would be established against the point of order." If a point of order were made against the motion to table, the Vice President would rule the point of order not well taken, for which ruling there is precedent as indicated above. If an appeal were taken from the Vice President's ruling, any subsequent questions of order would be decided without debate and "any appeal may be laid on the table without prejudice to the pending proposition, and thereupon shall be held as affirming the decision of the Presiding Officer". Rule XX, par. 1.

If the motion to table the point of order against the motion to vote on the rules without further debate (or with limited debate) prevailed, the Vice President would then proceed as the motion, which the Senate had decided was not improper, directed him to proceed. The Senate would have decided the constitutional question and the Vice President would not have had to give an opinion upon it, nor would he have had to make any ruling not grounded in Senate precedents.

[From hearings, Senate Committee on Rules and Administration, 82d Cong., 1951]

WRITTEN STATEMENT FROM THE LIBERAL PARTY OF NEW YORK STATE RESPECTING ITS POSITION ON PROPOSALS TO AMEND THE SENATE CLOTURE RULE

The 1951 national legislative program of the Liberal Party is founded upon the conviction that our country is in a total emergency and that we are confronted with a struggle for survival and for the preservation of our democratic way of life. It is the further profound belief of the Liberal Party that it would be the height of folly and danger to regard the communist aggression in Korea as a self-contained phenomenon. On the contrary, we view the Communist adventure in Korea as a symptom of and testimony to the entire Soviet program of expansionism toward world domination. It is upon the basis of these convictions that we have urged upon our government a program of total preparedness. To us this means a mobilization of our spiritual as well as our material resources.

DIGEST of Congressional Proceedings

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HIGHLIGHTS: House committee voted to report bill to remove prohibition against transfer of unused Md. tobacco allotments. Reps. Findley and Curtis criticized proposed sale of vegetable oil to Yugoslavia.

SENATE

1. ECONOMIC DEVELOPMENT. Sen. Harris introduced an amendment to S. 602, to revise and extend the Appalachian Regional Economic Development Act of 1965 and spoke in favor of providing the same kind of economic stimulant to depressed areas of the country as the Appalachian Regional Economic Development Commission in the Appalachia region. pp. S2245-7

2. HIGHWAY FUNDS. Sen. Jordan, Idaho, criticized the "freeze" on funds for Federal highway programs, and inserted a letter from the Governor of Idaho and a

resolution passed by the Idaho Legislature supporting his position. pp. S2274-6

3. EDUCATION. Sen. Morse inserted an article, "Year 1966-- Special Education's Greatest Legislative Year." pp. S2282-3

4. HOUSING. Passed without amendment S. J. Res. 42, to update references of laws relating to housing and urban development. pp. S2314-18

5. FOREIGN TRADE. Sen. Morse inserted a report of the Seventh Mexico-U. S. Interparliamentary Conference on the trade policies of the Government of Mexico affecting the U. S. fruit industry. pp. S2336-9

6. DEBT LIMIT INCREASE. H. R. 4573, to increase the debt limit was made the pending business. p. S2318

7. INVESTIGATIONS. Completed action on resolutions providing for operation of various committees which included; S. Res. 58, with amendment, to study the origin of research and development programs financed by the Federal government (p. S2210); S. Res. 46, without amendment, to investigate matters pertaining to public and private housing and urban affairs (p. S2214-25); S. Res. 40, with amendment, to study the separation of powers under the Constitution (pp. S2301-2); S. Res. 17, with amendment, to make a complete study of all matters pertaining to poverty (pp. S2302-4); S. Res. 44, without amendment, to provide for a study of Migratory labor (pp. S2304-5).

HOUSE

8. TOBACCO. The Agriculture Committee voted to report (but did not actually report) H. J. Res. 273, to remove the prohibition against the transfer of unused Maryland tobacco allotments. p. D95

9. WATERSHEDS. The Agriculture Committee approved workplans for several watershed projects and an agriculture subcommittee approved workplans for three watershed projects for full committee action. p. D95

10. CONSUMER MESSAGE. Several Representatives commended various proposals in the President's consumer message. pp. H1536, H1568, H1573, H1576, H1568

11. FOREIGN TRADE. Rep. Berry claimed that "agricultural concessions, which were to be a key factor in any trade liberalizations, have admittedly been forgotten in Geneva," and inserted excerpts from the committee hearings. pp. H1538-9

Rep. Widnall inserted an article, "Representative Curtis Sees Progress in Kennedy Round." pp. H1541-3

Representatives Findley and Curtis criticized "the determination of the State and Agriculture Departments to grant credit terms to Yugoslavia under Public Law 480 for the purchase of vegetable oil," and inserted articles on the subject. pp. H1547-8, H1555-6

12. ECONOMIC POLICY. Rep. Curtis inserted the testimony of Dr. Danielian, President of the Economic Policy Association on the issues involved in the proposed extension of the interest equalization tax. pp. H1522-5

At length, with passing years, the upkeep of their home in Berkeley became something of a burden for Admiral and Mrs. Nimitz, for they had only part-time help. Accordingly, when cancellation of the Western Sea Frontier command left Quarters One vacant at the naval station on Treasure Island in San Francisco Bay, it was offered to them for a residence, and they gladly accepted. Here, with the comfort of an elevator and servants, the Admiral continued to have visitors, to give official council when called upon, and to take a stand on all issues. He steadfastly refused, however, to write his memoirs or to have his biography written.

In October 1963, Admiral Nimitz had a bad fall and spent five weeks in the hospital. Though he regained his good spirits, he never fully recovered, and he aged rapidly.

In January 1966, the Admiral suffered a stroke and was taken to the hospital on Treasure Island. Complications, including pneumonia, followed, and he died on 20 February 1966, a few days before his 81st birthday. At his request he was buried without the pomp of a state funeral at Golden Gate National Cemetery beside the Pacific, among thousands of men who had served with him.

(NOTE.—A graduate of the University of Richmond, Professor Potter attained the rank of Commander, U.S. Naval Reserve during World War II. Coauthor of *American Sea Power Since 1775*, he is co-author and editor of *The United States and World Sea Power* and (with Fleet Admiral Nimitz) *Sea Power: A Naval History*. He also edited *The Great Sea War* and *Triumph in the Pacific*. He is now Chairman of Naval History, U.S. Naval Academy.)

AMENDMENT OF APPALACHIAN REGIONAL ECONOMIC DEVELOPMENT ACT OF 1965

AMENDMENT NO. 96

Mr. HARRIS. Mr. President, I introduce, for appropriate reference, for myself, Senators MCCLELLAN, MONRONEY, MONTOYA, MOSS, HART, LONG of Missouri, NELSON, and FULBRIGHT, an amendment to S. 602 to revise and extend the Appalachian Regional Economic Development Act of 1965. I ask unanimous consent that the text of the amendment and an explanation thereof may be printed at this point in the RECORD.

There being no objection, the amendment and the explanation were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 96

On page 1, between lines 2 and 3, insert the following:

"TITLE I"

On page 1, line 3, stike out "Act" and insert in lieu thereof "title".

On page 1, line 6, after "hereinafter" insert "in this title".

At the end of the bill insert a new title as follows:

"TITLE II

"SEC. 201. This title may be cited as the 'Public Works and Economic Development Act Amendments of 1967'.

"SEC. 202. Section 301(b) of the Public Works and Economic Development Act of 1965 is amended by inserting after the first sentence, the following: 'The Secretary is further authorized to make such grants to any nonprofit incorporated body, or any agency or instrumentality of a State or local government (or any association or combination of such bodies, agencies or instrumentalities) located (wholly) within an economic development region designated under Title V of this Act and certified to a regional commision established for the region under this Act either by the Governor of the State or States in which such agency or instrumentality is located, or by the State officer designated by the appropriate State law to make such certification, as having a charter or authority that includes the economic development of counties or parts of counties or other political subdivisions within the region: *Provided*, That no grants shall be made under this section to any such organization, body, agency, or instrumentality loctaed (wholly) within an economic development region for which a regional commission has been established, including the Appalachian Region as defined in the Appalachian Regional Development Act of 1965, except pursuant to specific recommendations of such regional commission.'

"SEC. 203. Section 502 of the Public Works and Economic Development Act of 1965 is amended by striking out the first word of subsection (c) and inserting in lieu thereof the phrase 'Except as provided in section 505, decisions'.

"SEC. 204. Section 503 of the Public Works and Economic Development Act of 1965 is amended—

"(1) by striking out the word 'and' at the end of clause (10) of subsection (a), by striking out the period at the end of clause (11) and inserting in lieu thereof a semicolon, and by adding the following new clauses:

"'(12) recommended to the Secretary of Commerce grants for the administrative expenses of economic development districts and agencies under section 301, and supplementary grants for Federal grant-in-aid programs under section 509; and

"'(13) serve as a focal point and coordinating unit for regional programs.';

"(2) by striking out subsections (b) and (c) and inserting in lieu thereof the following:

"'(b) The President shall provide effective and continuing liaison between the Federal Government and each regional commission and a coordinated review within the Federal Government of the plans and recommendations submitted by each Commission pursuant to subsections (a) and (d)';

"(3) by striking out the phrase 'additional recommendations to the Secretary and recommendations' in subsection (e) and inserting in lieu thereof the phrase 'recommendations to the President and'; and

"(4) by redesignating subsections (d) and (e) as (c) and (d), respectively.

"SEC. 205. Section 504 of the Public Works and Economic Development Act of 1965 is amended by striking out the phrase 'the Secretary shall encourage each regional commission to' and inserting in lieu thereof the phrase 'each regional commission shall'.

"SEC. 206. (a) Title V of the Public Works and Economic Development Act of 1965 is amended by adding at the end of the introductory phrase which precedes section 505 the following: 'AND ADMINISTRATIVE EXPENSES OF REGIONAL COMMISSIONS'.

"(b) Section 505(a) of the Public Works and Economic Development Act of 1965 is amended to read as follows:

"'(a) The Secretary, either directly or through arrangements with appropriate public or private organizations (including the commissions), (1) is authorized to undertake studies and investigations which would aid him in carrying out his functions under this Act, and (2) shall provide funds, pursuant to specific recommendations of a regional commission, for investigations, research, studies, technical assistance, training programs, and demonstration projects, but not for construction purposes, which will further the purposes of this Act, including studies and plans evaluating the needs of, and developing potentialities for, economic growth of such region, and research on improving the conservation and utilization of the human and natural resources of the region."

"(c) Section 505(b) of the Public Works and Economic Development Act of 1965 is amended to read as follows:

"'(b) For the period ending on June 30 of the second full Federal fiscal year following the date of establishment of a commission, the administrative expenses of each commission, including the expenses of the Federal Co-chairman, his alternate, and his staff, shall be paid by the Federal Government. Thereafter, 50 per centum of such expenses shall be paid by the Federal Government and 50 per centum shall be paid by the Member States, except that the expenses of the Federal Co-chairman, his alternate, and his staff shall be paid solely by the Federal Government. The share to be paid by each State shall be determined by the Commission. The Federal Co-chairman shall not participate or vote in such determination. No assistance authorized by this title shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State Member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses."

"(d) Section 505(c) of the Public Works and Economic Development Act of 1965 is amended to read as follows:

"'(c)(1) There is hereby authorized to be appropriated, to carry out subsection (A-1), $2,500,000 for the fiscal year ending June 30, 1968, and $2,500,000 for each fiscal year thereafter through the fiscal year ending June 30, 1970.

"'(2) There is hereby authorized to be appropriated, to carry out subsection (A-2), $12,500,000 for the fiscal year ending June 30, 1968, and $12,500,000 for each fiscal year thereafter through the fiscal year ending June 30, 1970.

"'(3) There is hereby authorized to be appropriated to regional commissions heretofore and hereafter established under this title or to the President, to carry out subsection (b), the sum of $10,000,000 for the period ending June 30, 1968, and the sum of $10,000,000 for the fiscal year ending June 30, 1969.

"'(4) Any unexpended balance of such funds appropriated under this title in the Department of Commerce Appropriation Act, 1967, shall be available until June 30, 1967, for the purposes of subsections (a) and (b).'"

"SEC. 207. Section 509 of the Public Works and Economic Development Act of 1965 is amended—

"(1) by inserting immediately preceding the word 'Congress' in the first sentence, the following: 'Governor of each State in the region and to the President, for transmittal to the'; and

"(2) by redesignating such section as section 510.

"SEC. 208. Title V of the Public Works and Economic Development Act of 1965 is amended by inserting after section 508, the following new section 509.

Supplements to Federal grant-in-aid programs

"SEC. 509(a) In order to enable the States and other entities within economic development regions established under this Act to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, each regional commission is authorized to approve programs and projects and to advance funds appropriated to carry out this section to the heads of the departments, agencies, and instrumentalities of the Federal Government responsible for the administration of such Federal grant-in-aid programs. Funds so advanced shall be used for the sole purpose of increasing the Federal contribution to projects under such programs above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. Funds shall be so advanced for Federal grant-in-aid programs for which funds are

available under the Act authorizing such programs. Such advanced funds shall be available without regard to any appropriation authorization ceilings in such Act. Supplementary grants made in accordance with the applicable provisions of Sec. 101 of the Public Works and Economic Development Act of 1965 shall be made without regard to the last sentence of subsection (c) or to subsection (d) thereof, or to any provisions therein limiting supplementary grants to States and other entities within redevelopment areas.

"(b) The Federal portion of such costs shall not be increased in excess of the percentages established by each commission, and shall in no event exceed 80 per centum thereof.

"(c) The term 'Federal grant-in-aid programs' as used in this section means all existing or future Federal grant-in-aid programs that a commission may designate as furthering the purposes of this Act, authorized by Acts other than this Act for the acquisition of land and the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; Title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; Part IV of Title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958; Farmers Home Administration Act of 1946 as amended, and Education and Training programs administered by the Bureau of Indian Affairs. The term shall not include (A) any grant-in-aid program relating to highway or road construction, or (B) any other program for which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this section, and shall not be taken into account in the computation of allocations among the States made pursuant to any other provision of law.

"(d) There is hereby authorized to be appropriated to each regional commission heretofore or hereafter established under Title V of the Public Works and Economic Development Act of 1965, (as amended), or to the President, the sum of $5,000,000 for the period ending June 30, 1968, and the sum of $10,000,000 for the fiscal year ending June 30, 1969, to be available until expended, to carry out this section."

"SEC. 209. Section 601(a) of the Public Works and Economic Development Act of 1965 is amended by striking out everything in the first sentence between the word 'herein' and the period at the end."

Amend the title to read as follows: "A bill to revise and extend the Appalachian Regional Development Act of 1965, and to amend the Public Works and Economic Development Act of 1965."

BRIEF EXPLANATION OF PROPOSED AMENDMENTS TO THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

The proposed amendments to the Public Works and Economic Development Act of 1965 (P.L. 89–136) are being accomplished by adding a new Title II to the proposed Appalachian Regional Development Amendments of 1967, and the following are short explanations of those sections which affect P.L. 89–136. Section 201. This title may be cited as the Public Works and Economic Development Act Amendments of 1967.

1. (Sec. 202.—page 1) Section 301 (b), which authorizes the Secretary of Commerce to make grants for administrative expenses for economic development districts under the present Act, is expanded by providing that the Secretary can make these grants to other agencies of State or local governments which are located in a commission's region, and further provides that neither these grants nor other grants authorized in Section 301(a) to redevelopment areas or other areas which he finds have specific need for such assistance can be made *except upon the specific recommendation of the regional commission, including Appalachia.*

2. (Sec. 203—page 2) Section 502 of the Public Works and Economic Development Act is changed in order to recognize that a State may not vote on commission matters if it is in arrears on its payment of its share of the regional commission administrative expenses.

3. (Sec. 204(1)—page 2) Section 503 of the Public Works and Economic Development Act which describes the functions of the commission is enlarged to add two new subsections, numbers 12 and 13. (*12*) sets out as a function of the commission recommendations to the Secretary of Commerce for grants for administrative expenses to EDD's under Section 301 and supplemental grants-in-aid under the new Section 509. (*13*) copies one of the functions of Appalachia stating that the commission shall serve as a focal point and coordinating unit for regional programs.

4. (Sec. 204(2)—pages 2 and 3). Deletes subsections (b) and (3) of the Public Works and Economic Development Act which presently state that the Secretary of Commerce presents the plans and proposals of the commission first to other Federal agencies for their recommendations and then to the President, and that the Secretary of Commerce will provide the liaison between the Federal Government and the commissions, *and inserts a new subsection (b). This new subsection is the same as the Appalachian Section 104 and states that the President (rather than the Secretary) will provide the liaison and the President will provide the coordinating function.*

5. (Sec. 204 (3)—page 3) Subsection (e) of Section 503 which now provides that the commissions may make additional recommendations to the Secretary and to the State Governors is amended to provide that, as in Appalachia Section 103, these recommendations shall go to the President and to the State Governors.

6. (Sec. 205—page 3) Section 504 which now states that the Secretary should encourage each regional commission to follow procedures which will insure consideration of certain factors is amended by eliminating the Secretary of Commerce and merely providing that each commission will follow procedures with respect to consideration of program development criteria. This Section, as amended, is identical with Section 107 of the Appalachia Act.

7. (Sec. 206 (a)—page 3) This provision amends the heading which precedes Section 505 and which now reads "REGIONAL TECHNICAL AND PLANNING ASSISTANCE" to read "REGIONAL TECHNICAL AND PLANNING ASSISTANCE AND ADMINISTRATIVE EXPENSES OF REGIONAL COMMISSIONS."

8. (Sec. 206 (b)—page 3) This is a rewrite of Section 505 (a) and clarifies the responsibilities of the Secretary with regard to technical assistance. Where now all of the technical assistance is under his jurisdiction to be spent as he desires, it breaks this technical assistance into two kinds of expenditures. One authorizes the Secretary to undertake studies and investigations which would aid *him* in carrying out his functions under the Act (such as the investigation of the establishment of new regional commissions or the expansion of present regions upon recommendation of the regional commission, or such other over-view responsibilities he may have). The other provision clearly spells out that he *shall* provide funds for all other investigations, research, etc., which will further the purposes of the Act but only pursuant to specific recommendations of a regional commission. In the present act, he is given the authority to provide technical assistance through his own staff, through payment to other departments or agencies of the Federal government, through contracts and through grant-in-aid to the commissions. The grants to commissions, it will be recalled, was eliminated in the recent Regulations promulgated by the Assistant Secretary of Commerce. The new section clearly indicates that the commission will have control of some of these technical assistance funds, and the money amounts remain the same, $15,000,000 for this purpose.

9. (Sec. 206(c)—page 4) This rewrites Section 505(b) of Title V. It was necessary to change the present 505(b) because the administrative expenses of the Commission are now subject to the approval of the Secretary of Commerce and it presently provides that after two years not to exceed 50 per cent of the expenses of the Commission shall be paid by the Federal Government and the determination of the amount of the non-Federal share is left to the Secretary of Commerce. As amended, the Section will substantially follow the present Section 105 of the Appalachian Act. There have also been included the slight changes they hope to get passed which spell out clearly that the Federal Government shall pay the expenses of the Federal Co-chairman and his staff after the second year. It also clarifies that the expenses of the Federal Co-chairman for budget purposes are included in the administrative expenses of the Commission.

10. (Sec. 206 (d)—page 4) This amends Sec. 505 (c) of Title V by breaking down the authorization for appropriation into four separate categories. The first category authorizes the appropriation of $2.5 million for FY 68 and $2,500,000 for FY 1969 for the purpose of the Secretary of Commerce undertaking the studies and investigations to aid him in carrying out his functions and to provide research and technical assistance to the Commissions, as set forth in the new Sec. 505 (a). The second category authorizes the appropriation of $12,500,000 for FY 1968, and $12,500,000 for FY 69 to carry out the purposes of the new section 505 (a)(2), which states that the Secretary *shall* pursuant to specific recommendations of a regional commission, provide funds for investigations, research, studies, technical assistance, training programs, and demonstration projects, but not for construction purposes, to the commission.

The third subsection authorizes the appropriation to the Regional Commissions for the purpose of administrative expenses of the Commissions and the expenses of the Federal Co-chairmen and his staff the sum of $10 million a year for the next two years. These amounts are authorized to be appropriated to the Commissions or to the President. The authorization for appropriation to the President is necessary to take care of those Commissions which are not yet funded or which may be designated during this period without direct appropriation from Congress. This permits the President to fund them until they have an opportunity to obtain their own appropriation from Congress.

The fourth subparagraph attempts to provide that any monies Commerce has not spent under its current appropriation shall be available for both technical assistance by the Secretary and the Commissions and administrative expenses of the Commissions. The effect of this subsection is to try to show that the funds Commerce now has must be held in trust for those Commissions which are not presently funded and for those which may come into existence between now and June 30, 1967.

11. (Sec. 207—page 5) This makes a change in Sec. 509 with respect to annual reports

by conforming it to Appalachian's Sec. 304 in respect to having the annual report go to the Governor of each State in the Region and to the President for transmittal to Congress rather than directly to Congress as presently provided. A minor distinction, however, with respect to these annual reports is that Appalachia's annual report must be submitted not later than six months after the close of each fiscal year (December 31), while the other Regional Commissions' annual reports shall be submitted to Congress not later than January 31. This is a one month difference, but not thought to be important enough to require an extensive change in 509.

12. (Sec. 208—page 6) This inserts one new section in Title V which will be numbered 509.

The new section 509 provides for supplements for Federal grant-in-aid programs for the Regional Commissions similar in some respects to the Sec. 214 funds in the Appalachian Act. The money would be appropriated directly to the Commissions. It is tied to those supplementary grants-in-aid which the Secretary of Commerce under Sec. 101 of the Act designates except that it substitutes criteria in order to make these funds available for a different emphasis than under EDA criteria. It does this by directing that they shall not be limited to projects in redevelopment areas as presently provided in Sec. 101(c); without regard to the limitations of the last sentence of 101(c) which provides that the Secretary shall take into consideration the relative needs of the area, the nature of the project to be assisted, and the amount of such fair user charges, etc.; and without regard to Sec. 101(d) which provides that the rules, regulations and procedures of the Secretary shall assure adequate consideration is given to the relative factors as rates of unemployment, income levels, and extent of underemployment. Other sentences of this section conform to Appalachia's restrictions on the prohibition that none of the supplementary grants may be used for highway or road construction, and that grants shall not penalize any State in computing allocations they may get under other provisions of law.

In addition to the foregoing criteria, the Commissions are also charged with following procedures to insure consideration of five additional factors under Sec. 504. The Commissions will control the expenditure of these funds within their Region for these programs.

Subsection (d) of 509 authorizes the appropriation of $5,000,000 for each Commission for the period ending June 30, 1968, and $10,000,000 for each Commission for the following year.

13. (Sec. 209—page 7) This amends Sec. 601 of the Act by eliminating the following words without mentioning the words in the amendment: "The Secretary (of Commerce) shall . . . *coordinate the Federal Co-chairmen appointed heretofore or subsequent to this Act.*"

14. No changes have been made in Sections 501, 506, 507, and 508 of Title V.

Mr. HARRIS. Mr. President, the purpose of the explanation is to give similar legislative status to all regional commissions. Currently, the Appalachian Regional Commission enjoys a degree of independence under law not shared by other commissions created pursuant to title V of the Public Works and Economic Development Act of 1965.

Certainly all States are entitled to the same treatment under the commission format. The unequal treatment will be highlighted with the establishment of the Coastal Plains Regional Commission. The three States of Georgia, North Carolina, and South Carolina, which are in a title V region will have a distinctly different status and relationship to the Federal Government than they presently have through the Appalachian Regional Commission.

The amendment I submit today creates a new title II in the Appalachian Regional Economic Development Amendments of 1967 and deals primarily with the status of regional commissions established pursuant to title V of the Public Works and Economic Development Act of 1965.

The purpose of this amendment is to give similar legislative and legal status to all regional commissions. Under current conditions the Appalachian Regional Economic Development Commission enjoys a degree of independence under law not shared by the other five commissions created pursuant to the title V of the Public Works and Economic Development Act of 1965.

Certainly all States are entitled to the same treatment under the commission format. The amendment I propose today will authorize appropriations for technical assistance, administrative expenses of the commissions and supplemental grant and aid programs, patterned after the Appalachian Region Economic Development Commission. I feel that this is essential in order to enable the five commissions created pursuant to the title V of the Public Works and Economic Development Act to carry out the programs envisioned for them when the enabling legislation was enacted.

The key political science problem of today is how to dovetail the similar programs and efforts of various levels of government, local, State, and Federal, and better coordinate the myriad Federal programs of similar purpose. It is my judgment that the regional economic development commissions can serve as an ideal vehicle to help solve this problem.

The distinguished Senator from West Virginia [Mr. RANDOLPH], chairman of the Senate Public Works Committee, stated recently on the floor of the Senate:

> When one speaks of creative Federalism, one looks to the Appalachian Development Program as a prototype.

I agree wholeheartedly with him, in that the Appalachian development program is and should be a prototype for other regional economic development commissions, and it is for that reason I am introducing the amendment here today which will place regional economic development commissions heretofore and hereafter established on equal footing with the Appalachian Regional Economic Development Commission.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HARRIS. Mr. President, I ask unanimous consent that I may proceed for 2 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRIS. Senator RANDOLPH has further stated during the hearings on confirmation of Mr. John Linnehan as Federal Cochairman for the New England Regional Development Commission:

> We thought of the Appalachian Development Commission as a partnership of the States involved in the Appalachia section of the country with the Federal Government, *and it was designed, and we feel that this region or any other region is designed,* "to assist the region in meeting its special problems, to promote its economic development, and to establish a framework for joint Federal and State efforts toward providing the basic facilities essential to its growth and attacking its common problems and meeting its common needs on a coordinated and concerted regional basis."

Mr. President, the amendment I propose today will enable all regions heretofore or hereafter established to provide the same kind of economic stimulant to depressed areas of our country as has the Appalachian Regional Economic Development Commission in the Appalachia region. I certainly support the regional approach to economic development of depressed areas, and, therefore, feel that it is imperative that this amendment be enacted to enable all regions to have common status for the attainment of common goals, though very modest sums are asked for now for the other commissions.

Mr. President, I have discussed this matter and this amendment with the distinguished Senator from West Virginia [Mr. RANDOLPH], chairman of the Senate Public Works Committee. He has assured me that his committee will consider this amendment in connection with the Appalachian Regional Economic Development Act of 1965, which it seeks to amend. No special hearings will be required, I believe, because extensive hearings were held last session by the Senate Public Works Committee on these various regional commissions during the consideration of the Public Works and Economic Development Act of 1965.

The PRESIDING OFFICER. The amendment will be received, printed, and appropriately referred.

The amendment (No. 96) was received, ordered to be printed, and referred to the Committee on Labor and Public Welfare.

LEGISLATIVE REORGANIZATION ACT OF 1967—AMENDMENT

AMENDMENT NO. 97

Mr. ALLOTT submitted an amendment, intended to be proposed by him, to the bill (S. 355) to improve the operation of the legislative branch of the Federal Government, and for other purposes, which was ordered to lie on the table and to be printed.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

Under authority of the orders of the Senate, as indicated below, the following names have been added as additional cosponsors of the following bills and joint resolutions:

Authority of February 2, 1967:

S. 799. A bill to provide more economic, efficient, and effective impiementation of the

various Federal loan and grant-in-aid programs to improve the quality of urban and rural life through improved comprehensive development planning, programing, and coordination among and between Federal agencies, States, regions, metropolitan areas, and local governments, and to encourage greater coordination between States and their political subdivisions in the planning and programming of Federal loan and grant-in-aid programs, and for other purposes: Mr. HATFIELD, Mr. JAVITS, and Mr. MILLER.

Authority of February 7, 1967:

S.J. Res. 30. Joint resolution to establish a commission to formulate plans for a memorial to astronauts who lose their lives in line of duty in the U.S. space program: Mr. ALLOTT, Mr. BAYH, Mr. BIBLE, Mr. CARLSON, Mr. COOPER, Mr. DOMINICK, Mr. ERVIN, Mr. FANNIN, Mr. HARTKE, Mr. HILL, Mr. JACKSON, Mr. KUCHEL, Mr. LAUSCHE, Mr. LONG of Louisiana, Mr. MURPHY, Mr. PROXMIRE, Mr. RANDOLPH, Mr. SCOTT, Mr. SYMINGTON, and Mr. YOUNG of North Dakota.

Authority of February 8, 1967:

S. 913. A bill to amend part III of the Interstate Commerce Act to provide for the recording of trust agreements and other evidences of equipment indebtedness of water carriers, and for other purposes: Mr. MONRONEY, Mr. MORTON, and Mr. YARBOROUGH.

S. 915. A bill to provide for the establishment of a Federal Judicial Center: Mr. METCALF, and Mr. TYDINGS.

S. 917. A bill to assist State and local governments in reducing the incidence of crime, to increase the effectiveness, fairness, and coordination of law enforcement and criminal justice systems at all levels of government, and for other purposes: Mr. MUNDT, Mr. TYDINGS, and Mr. YARBOROUGH.

S.J. Res. 32. Joint resolution to establish a Joint Committee on Urban Affairs: Mr. JAVITS.

NOTICE CONCERNING NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Paul F. Markham, of Massachusetts, to be U.S. attorney, district of Massachusetts, for the term of 4 years, vice W. Arthur Garrity, Jr.

William F. Malchow, of Minnesota, to be U.S. marshal, district of Minnesota, term of 4 years, vice Ray H. Hemenway, resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Monday, February 27, 1967, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

NOTICE OF RECEIPT OF NOMINATIONS BY THE COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that today the Senate received the following nominations:

Rutherford M. Poats, of Virginia, to be Deputy Administrator, Agency for International Development.

Maurine B. Neuberger, of Oregon, to be a member of the General Advisory Committee of the U.S. Arms Control and Disarmament Agency.

In accordance with the committee rule, these pending nominations may not be considered prior to the expiration of 6 days of their receipt in the Senate.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. BYRD of Virginia:

Editorial entitled "Teaching of Morality Has Not Been Tabooed," written by David Lawrence and published in the U.S. News & World Report of February 13, 1967.

Editorial entitled "Again, the Big Squander Bill," published in the Ledger-Star of Monday, February 13, 1967.

By Mr. METCALF:

Editorial entitled "Big Trees, Small Plans," relating to proposed Redwood Creek National Park, published in the New York Times of February 19, 1967.

Editorial entitled "A Challenge to Citizens," published in the Western News, Hamilton, Mont., January 18, 1967.

Article entitled "The Next 25 Years," written by Lee C. White, Chairman, Federal Power Commission, and published in the magazine Public Power for January 1967.

THE CIA AND THE NATIONAL STUDENT ASSOCIATION

Mr. YOUNG of North Dakota. Mr. President, I have noted with considerable concern the continuing controversy over the CIA's financial assistance to the National Student Association and other organizations that participate in international conferences.

It would be preferable if private sources would provide the funds for students and others to attend international conferences, or if some Government agency other than the CIA would do so. When this assistance by the CIA was first given to the National Student Association, no other source of assistance was available. Thus, if the CIA had not provided the funds, the Communist students would have completely dominated the international conferences.

I am not one who believes it is all wrong for students and others to receive some guidance and information from the CIA as to how international conferences are manipulated by the Communists. Not many people realize that no student can enroll in the Moscow University or other universities in Russia unless he has been thoroughly indoctrinated in the Communist philosophy and is a dedicated Communist.

Russia and other Communist nations have a one-party system and only one viewpoint. Thus, their students and others attending international conferences present one united viewpoint, and they are financed by their governments.

Our system of government and our philosophy are entirely different. We have a two-party system and many factions within these parties. Thus, we do not always present a united front at international conferences. The National Student Association, as well as others, does not always support the official position of our country.

The CIA has made some mistakes, but the good it does far outweighs any errors. If we are to survive in this troubled world and counter the operations of the Russian KGB, we need the CIA—and badly. It should be remembered that the CIA operations are directed and controlled by the President of the United States and the National Security Council. It also receives guidance, direction, and supervision from a committee of private citizens appointed by the President, as well as by the Bureau of the Budget and committees of Congress.

Mr. President, one of the best editorials I have read with reference to this recent controversy over the CIA appeared in the Sunday Star of February 19, 1967, and was entitled "What Are We Trying To Do to the CIA?" I ask unanimous consent that the editorial be printed in the RECORD as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHAT ARE WE TRYING TO DO TO THE CIA?

It is just possible, if we all manage to work ourselves into a wild enough lather, that the current flap over the CIA can be escalated to the point where it will destroy the nation's intelligence organization. It almost seems that this is what some of the breast-beaters would like to do.

One day we have a disclosure that a student organization has been receiving covert funds so that young Americans can compete with young Communists at world student meetings. Then, suddenly, nothing will do but that every traceable operation of the CIA must be laid bare to public view, commented upon in tones of pious horror, investigated, sermonized, deplored and punished, until the terrible guilt of it all has been established for all time, for all the world to see.

And what, precisely, are we guilty of? Why, of using our wits and available means to compete in a battle just as real, dirty and deadly serious as any shooting war in which we could engage.

Confronted by adversaries who threw the full power and wealth of the state into the effort to mold and control world opinion, we did not abandon the field to them. Instead, we devoted some public funds to seeing to it that Americans could confront the totalitarians in the intellectual lists abroad, speaking their minds in representing the views of a relatively free society.

It worked, incidentally. A wide variety of Americans, most of whom never knew the source of the funds backing them, proved more than able over the years to hold their own in confrontation with disciplined, professional Communist agents. They prevented the takeover of numerous international organizations and established others which have contributed substantially to the global cause of freedom.

Consider, for example, the experience of Gloria Steinem, as interestingly reported in yesterday's Washington Post. A New York writer, Miss Steinem was director of something called "The Independent Research Service," which took CIA money to send several hundred young Americans to World Youth festivals in Vienna and Helsinki in 1959 and 1962.

Miss Steinem said she worked closely with CIA agents on the program, but that few of the students who took those trips knew that the CIA was picking up the tab.

"I never felt I was being dictated to at all," she said. "I found them (the CIA men with whom she worked) liberal and far-sighted and open to an exchange of ideas.

Calendar No. 161

90TH CONGRESS
1st Session

SENATE

REPORT
No. 159

REVISING AND EXTENDING THE APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

AND

AMENDING TITLE V OF THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

REPORT

OF THE

COMMITTEE ON PUBLIC WORKS UNITED STATES SENATE

TOGETHER WITH

SUPPLEMENTAL VIEWS

TO ACCOMPANY

S. 602

APRIL 6, 1967.—Ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

76-891 WASHINGTON : 1967

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Calendar No. 161

90TH CONGRESS
1st Session

SENATE

REPORT
No. 159

APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1967, AND AMENDMENTS TO TITLE V OF THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

APRIL 6, 1967.—Ordered to be printed

Mr. RANDOLPH, from the Committee on Public Works, submitted the following

REPORT

together with

SUPPLEMENTAL VIEWS

[To accompany S. 602]

The Committee on Public Works, to which was referred the bill (S. 602) to revise and extend the Appalachian Regional Development Act of 1965, having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

The amendments are shown in italic type in the reported bill.

INTRODUCTION

Among the most meaningful and significant words ever set down by man are:

> We the People of the United States, in order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common Defense, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America.

This declaration keynotes the greatest experiment in government by consent in the history of man. It is referred to as "an experiment" because, although these words and the document which they head have withstood the test of time, the government structure initiated by the Constitution has always been subject to change in response to the needs of the American people.

Our most recent experiment in government was the establishment of the Appalachian Regional Commission, pursuant to the Appalachian Regional Development Act of 1965. This legislation, the result of 5 years of investigation, study, and public hearings, broke new ground

in structuring the relationships between and among the Federal Government, State governments, local governments, and individual citizens and private business.

President Johnson has termed this "creative federalism," an approach characterized by a new kind of cooperative relationship among all levels of government. It looks to the establishment of a firm and full partnership between the Federal Government and the States of the Appalachian region.

In 1964, the President's Regional Commission on Appalachia transmitted a report to the President of the Senate, describing in detail the situation which obtained throughout an area extending from Pennsylvania to Alabama. It described in stark terms the differences which for too long had set this region apart from the rest of the Nation. It spoke of regional deprivation in terms of income, education, employment, and housing levels. It drew a graphic picture of a region which was far behind at a time when the United States as a nation had entered upon and was enjoying the fullness of economic prosperity. In a society of abundant affluence there was little in Appalachia to mark it as a part of the whole.

The Senate Committee on Public Works began hearings on proposals to ameliorate and correct this situation. The need for Federal assistance in an action program was demonstrated without question and without a shadow of a doubt. The Congress subsequently enacted Public Law 89–4, establishing the Appalachian Regional Development Commission, and authorizing a multifaceted economic development program.

In essence, the program reharnessed many of the existing Federal programs. We found, not that the Federal Government lacked programs which could substantially contribute to an economic revival which would bring to the Appalachian region the "domestic tranquillity" and "the general welfare" to which the preamble of the Constitution of the United States addresses itself, but rather that the States of the region, for many reasons, were unable to take advantage of these programs.

The first thrust of the program was the authorization of a development highway system. Throughout the history of this region and our Nation, the Appalachian mountain chain has stood as a barrier to commercial and social intercourse. Every schoolchild learns that one of the first great problems encountered by our Founding Fathers, once the original settlement along the Atlantic coast was accomplished, was to find a passage through these mountains. The Cumberland Gap has its own hallowed place in the history of Appalachia.

Another major problem on which a concerted assault was needed was in the availability of adequate health facilities and services. These, together with stepped-up vocational education activities, land stabilization, conservation and erosion control, mining area restoration, and sewage treatment were absolutely necessary if Appalachia was to be able to attract and hold the kinds of people and the kinds of business which would again make the area economically viable.

Provisions for timber and water resource studies were also included. The capstone of the program was the provision of supplements to existing Federal grant-in-aid programs. No one piece of the program was to be so large as to overburden or overshadow

the rest. All were intended to give that extra bit of assistance which is required to bring Appalachia back into the mainstream of American economic development.

The intergovernmental structure which the Appalachian regional development legislation of 1965 sought to create and the program contained therein were designed to—

> assist the region in meeting its special problems, to promote its economic development, and to establish a framework for joint Federal and State efforts toward providing the basic facilities essential to its growth and attacking its common problems and meeting its common needs on a coordinated and concerted regional basis.

It was an ambitious goal and an immense undertaking, but it was one to which the Congress gave its full support. What this committee proposed was enacted by the Congress and was signed into law by President Johnson on March 9, 1965.

The program has now completed its second year. This report will discuss the impact of the program on the Appalachian region and recommend certain modifications based on the information received during the course of the hearing held on the pending legislation, S. 602.

HEARINGS

On January 24, the Special Subcommittee on Economic Development of the Senate Committee on Public Works began hearings on the Appalachian regional development program. The purpose of those hearings was twofold:

First, the refunding of the program. When the original legislation was passed early in 1965, with the exception of the Appalachian highway program, Congress made authorizations through fiscal year 1967 only. If we are to fulfill the promise of the excellent beginnings that have been made, we must authorize the funds for the continuance of the program.

The second purpose of the committee hearings was to conduct a searching review of the goals and achievements of the Appalachian program.

This program is the embodiment of a new approach in intergovernmental relations, best expressed in the concept of "creative federalism." It is intended as a helping hand not a Federal handout. As it was conceived and established it is an equal partnership between the States and the Federal Government.

During the course of the 7 days of hearings (January 24, 25, 26, 31, February 1, 2, and 3) the Special Subcommittee on Economic Development heard from more than 40 witnesses representing every sector of involvement in the Appalachian program.

Testimony was received from the State cochairman of the Appalachian Regional Commission, the Hornorable Hulett Smith, Governor of West Virginia, and from the Honorable John Sweeney, the Federal Cochairman, Members of the Senate, as well as from representatives of the Federal agencies which have the direct line responsibilities for carrying out the projects which heretofore have been recommended by the Appalachian Regional Commission. In addition, the committee heard from a number of distinguished private citizens and interested groups.

Direct testimony or written statements were received from the Governors of 10 of the 12 States included in the region. The Governors were unanimous in their support of the program and high in their praise of the structure as well as the program implementation.

In all, the record covers 479 pages of printed matter. Though not all aspects of the program have moved forward as rapidly as the committee might have liked, some phases have been more successful than the committee believed possible. The program is a success because those who are most directly concerned with it, the Governors of the States and the Federal Cochairman, have given it a maximum effort. Though the program has registered significant achievements, it has really only just begun.

The achievements resulting from the Appalachian Regional Development Act were partially summarized by President Johnson in his letter to Congress on January 20, 1967, in which he recommended the extension of the program. The President said:

> Because of the work done by the Commission and cooperating Federal, State, and local agencies—
>
> Fifty-one hospitals have been completed or are under construction.
>
> Fifty-two vocational education schools are being built.
>
> Work is underway on 790 miles of the development highway system.
>
> New libraries, airports, college classrooms, and water resource projects are being pursued to completion.
>
> Thousands of workers have been trained, hired, and added to the payrolls.

OPERATION AND IMPACT OF THE APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965—PROGRAM REVIEW

General Approach

The hearings and the subsequent review of the testimony and other materials and exhibits submitted have given the committee and its staff an excellent opportunity to review the entire program.

The institutional conception of the program as a joint State-Federal endeavor was a correct one. The success achieved to date is a direct result of the high degree of cooperation between the Governors of the Appalachian States and the Federal cochairman.

While the Appalachian program is a grant-in-aid program, it differs significantly from the traditional concept of such programs.

The Appalachian program requires that the Governor exercise the primary responsibility for recommending projects for consideration by the Commission, determine whether funds should be spent and assign the priorities for the expenditure of Appalachian program funds within his State.

It is the Governors who have been primarily responsible for allocating the funds available under various sections of the act. Each Commission decision made on these allocations was by unanimous vote.

The following table shows the allocation formulas, State percentages and dollar amounts for the appropriate section of the act.

State-by-State allocations of appropriated funds, fiscal year 1966–67

	Sec. 201—Development highways and access roads	Sec. 203	Sec. 211	Sec. 212	Sec. 214	Sec. 302
Alabama	$6,195,000	$1,336,000	$1,635,860	$643,804	$7,245,712	$345,230
Georgia	10,100,000	486,000	1,009,620	330,786	5,159,964	199,370
Kentucky	60,838,000	1,118,000	[1] 1,581,813	[1] 190,833	6,028,464	253,010
Maryland	10,239,053	137,000	600,020	226,626	3,813,716	113,570
New York	23,046,947	886,000	896,820	392,044	5,202,412	222,320
North Carolina	13,000,000	730,000	1,133,300	374,286	5,582,964	232,880
Ohio	36,800,000	648,000	1,083,540	409,504	5,707,464	245,570
Pennsylvania	36,000,000	1,245,000	[1] 2,789,507	[1] 1,715,137	12,729,708	690,260
South Carolina	2,555,000	281,000	923,700	314,046	4,568,216	153,170
Tennessee	20,865,000	1,222,000	1,611,140	526,744	6,727,456	308,930
Virginia	39,400,000	550,000	[2] 1,804,180	315,126	[2] 4,174,716	180,230
West Virginia	40,253,000	898,000	[2] 930,500	561,064	[2] 8,059,208	355,460
Bureau of Public Roads administration	708,000					
Total	300,000,000	9,537,000	16,000,000	6,000,000	75,000,000	3,300,000

[1] Kentucky exchanged $190,833 of its 212 money for same amount of 211 money from Pennsylvania.
[2] Virginia exchanged $800,000 of its 214 money for same amount of 211 money from West Virginia.

Allocation formulas—State percentages

	Sec. 203 [1]	Sec. 211 [2]	Sec. 212 [3]	Sec. 214 [4]	Sec. 302 [5]
Alabama	14.008	10.224	10.730	9.661	10.46
Georgia	5.098	6.310	5.513	6.880	6.04
Kentucky	11.718	8.694	6.361	8.038	7.67
Maryland	1.443	3.750	3.777	5.085	3.44
New York	9.286	5.605	6.534	6.936	6.74
North Carolina	7.655	7.083	6.238	7.444	7.06
Ohio	6.792	6.772	6.825	7.610	7.44
Pennsylvania	13.051	18.627	25.405	16.973	20.92
South Carolina	2.949	5.773	5.234	6.091	4.64
Tennessee	12.816	10.070	8.780	8.970	9.36
Virginia	5.772	6.276	5.252	6.633	5.46
West Virginia	9.412	10.816	9.351	9.679	10.77

[1] 203. 10 percent equally; 45 percent for number of low-income farms; 45 percent for cost of needed conservation practices on non-Federal agricultural lands as estimated in conservation needs inventory, Department of Agriculture.
[2] 211. 10 percent equally; 10 percent for land area; 20 percent for population; 30 percent for per capita income weighted inversely; 30 percent for proportion of 14- to 17-year-olds not enrolled in school.
[3] 212. 10 percent equally; 10 percent for land area; 20 percent for population; 30 percent for per capita income weighted inversely; 30 percent for proportion urban population.
[4] 214. 14 percent equally; 14 percent for land area; 28 percent for population; 44 percent for per capita income weighted inversely.
[5] 302. 33⅓ percent equally; 33⅓ percent for land area; 33⅓ percent for population.

To make the program respond to the goals established by Congress, each Governor has been responsible for developing an investment plan required by the Commission to govern the use of the funds available under the act. This plan meets the requirement contained in the "Statement of Purpose" of the 1965 act that—

> The public investments made in the region under this act shall be concentrated in areas where there is a significant potential for future growth, and where the expected return on public dollars invested will be the greatest.

Such plans have been prepared by each of the Governors. A digest of these investment plans is contained in appendix 1 of this report.

The program has been carried on in an environment of increased coordination of public effort. This increased coordination has taken place at all levels of government. Here in Washington a variety of cooperative systems have been evolving between the Appalachian Commission and the major Federal agencies with substantial financial

commitments to the region. The same thing has been done at the State level. The Committee expects the Commission to continue its efforts in this regard and to explore new areas for coordination and cooperation in the planning and expenditure of funds by Federal, State, and local agencies in the region.

At the State level each Governor has designated a man to supervise the Appalachian program within his State and has provided him with access to those State agencies which must necessarily be involved in any coordinated investment program. Councils of State agencies have been formed to discuss distribution of Appalachian dollars. Those discussions have been a key to the Governor's final decision on where to allot his funds to produce the greatest return.

In turn, these offices have become the vehicle for coordinated expenditures within specific local areas—in accordance with State investment plans which outline major local problems and suggest the public expenditure necessary to solve those problems.

The Appalachian program permits a flexible decision-making process; both the policy and procedures of the Commission are designed to honor the particular conditions found in each State.

The best proof of this can be found in the history of the Commission's activities. During the course of 21 months of activity, 110 resolutions which establish Commission policy have been passed and 365 grants for construction, demonstration, or research have been approved. The Commission's vote on all major actions was unanimous.

Specific Programs

Section 201. The Appalachian Highway Program

BACKGROUND

Section 201 of the Appalachian Regional Development Act of 1965 authorized $840 million for the construction of not to exceed 2,350 miles of a development highway system and not to exceed 1,000 miles of local access roads. In accordance with the recommendation of this committee, the Appalachian Regional Commission reserved $35 million of the authorized dollars for access roads, leaving $805 for the development highway system; $200 million was appropriated for fiscal year 1966 and $100 million for fiscal year 1967 for the highway program.

As of December 31, 1966, $115.6 million of Federal dollars were obligated on the development highway system, and $5.7 million of Federal funds were obligated for access roads. These obligations represent 182 miles of highway under construction on the development system and 68 miles of construction underway on access roads. Engineering and right-of-way acquisition is underway on major segments of the system. The accompanying tables show the status of the program as of December 31, 1966.

TABLE 1.—*Appalachian highway program—Status of development as of Dec. 31, 1966*

State	Appalachian development highway mileage									Funds obligated under Appalachian program	
	Appalachian improvement completed	Work in progress					Route location work not started	Corridor mileage being considered for Appalachian improvement [1]	Total Appalachian corridor mileage	Total cost	Federal funds
		Under construction	Engineering and right-of-way	Centerline location approved	Route location studies underway or completed	Total underway					
Alabama											
Georgia			29.6		56.8	86.4		86.4	89.0	$4,300,582	$3,010,407
Kentucky	5.9	49.5	145.5	23.0	190.6	408.6		414.5	477.8	44,248,811	30,419,588
Maryland	5.8	3.6	3.6		65.1	72.3		78.1	82.2	9,222,426	5,974,090
New York		6.6	193.4		10.5	210.5	20.0	230.5	260.0	14,642,650	9,242,889
North Carolina	.8	18.4	100.8	24.7	45.5	189.4	11.0	201.2	201.2	12,481,418	8,356,743
Ohio	3.3	4.1	48.6	11.9	134.1	198.8	2.6	204.7	294.4	6,922,610	4,845,827
Pennsylvania		8.4	36.7		301.6	346.7	93.5	440.2	489.8	5,918,882	10,382,050
South Carolina											
Tennessee	6.1	10.8	101.0	58.0	115.4	285.2	30.6	321.9	334.6	10,109,147	7,076,072
Virginia		46.5	47.1		84.5	178.1		178.1	203.1	34,690,268	23,693,505
West Virginia		12.0	91.1	105.0	210.3	418.4		418.4	248.3	19,177,607	12,529,058
Total	21.9	159.9	797.5	222.6	1,214.4	2,394.4	157.7	2,574.0	2,960.4	171,714,401	115,630,229
Percent of total under consideration	1	6	31	9	47	93	6	100			

[1] From which not to exceed 2.350 miles is to be designated for construction under the Appalachian program.

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TABLE 2.—*Appalachian highway program—Status of development as of Dec. 31, 1966*

State	Local access road mileage								Funds obligated under Appalachian program	
	Appalachian improvement completed	Work in progress					Route location work not started	Total mileage	Total cost	Federal funds
		Under construction	Engineering and right-of-way	Centerline location approved	Route location studies underway or completed	Total underway				
Alabama		64.1	44.3		22.6	131.0	62.1	193.1	$6,903,038	$4,795,840
Georgia		2.0	6.1			8.1		8.1	208,050	144,305
Kentucky	0.4	.1	.3			.4		.8	487,645	336,149
Maryland										
New York										
North Carolina									600	420
Ohio		7.6	2.1			9.7		9.7	657,828	333,267
Pennsylvania				3.5	2.0	5.5		5.5		
South Carolina					18.8	18.8	24.6	43.4		
Tennessee				30.8	8.1	38.9		38.9	31,800	22,260
Virginia							4.5	4.5		
West Virginia		1.4	13.3			14.7		14.7	234,740	117,950
Total	.4	75.2	66.1	34.2	51.5	227.1	91.2	318.7	8,523,701	5,750,191
Percent of total mileage	(1)	23	16	1	34	74	26	100		

[1] Less than 0.5 percent.

Corridor designation

From the outset, the Appalachian Regional Commission recognized the need for implementing the highway program at the earliest practicable date. Its first major action on May 12, 1965, was to recommend approval of 992 miles of highway corridors and 87 miles of "quick start" construction projects within the approved corridors. The "quick start" projects generally were those on which design was substantially complete and could proceed promptly to right-of-way acquisition and construction. On July 14, 1965, the Commission recommended approval of an additional 1,232 miles of corridors.

At the same time, the Commission requested the State highway departments, in cooperation with the Bureau of Public Roads, to develop adequacy ratings and cost estimates on the corridors designated by the Commission, and to recommend priorities for construction.

The cost estimate study

In the spring of 1966, the cost estimate studies were completed. The studies indicated a need for funds in excess of the $805 million authorized by the Congress. It became apparent that the design standards employed by the States in preparing the estimates in many cases exceeded that which could be met with the funds authorized by the Congress if Federal participation were to be at 70 percent of cost. This realization compelled the Commission to examine its goals and objectives for the development highway program. The Commission also considered the various alternatives for providing an adequate highway network consistent with the intent of this committee of the Congress in enacting the Appalachian program.

In August 1966, the Commission, after lengthy debate, established criteria for the expenditure of funds. These criteria provide for Federal participation in the cost of preliminary engineering, right-of-way acquisition, and the construction of two-lane facilities at 70 percent of cost, and for Federal participation in the construction of four-lane facilities at 50 percent of cost. In addition, Commission Resolution 92 allocated all of the $805 million authorization among the member States. Thus the guideline, coupled with the allocation, provide the State highway departments with clearly identified sets of goals and the means available for their accomplishment.

In October 1966, the Commission approved additional projects for construction and allocated the currently appropriated dollars among the States. Tables showing the funding and construction of these highways are contained in appendix II of this report.

ACCESS ROAD PROGRAM

Of the $840 million authorized for the Appalachian highway program, $35 million has been reserved for local access roads. To insure that these funds will provide a substantial number of the types of roads envisioned by the Congress in authorizing the program, the Commission established a policy of limiting assistance in each State to an average of $70,000 per mile for all local access road projects in the State.

These roads may provide feeder links to development highways or interstate routes. Some are local service routes to industrial parks. Some will exploit the potential of new investments in recreation,

particularly State parks, or capitalize on new private investment such as the reservoir now under construction in Appalachian South Carolina by the Duke Power Co. at a total investment of $700 million. And some may be low-cost forest roads designed to further the development and utilization of the region's timber and other natural resources.

As of December 31, 1966, $13 million in Federal funds had been approved to construct 59 local access roads, $5.7 million had been obligated at that time with 68 miles of roads under actual construction. Appendix II of this report contains a table showing the funding and mileage of these roads.

Progress of the program

Mr. F. C. Turner, Acting Federal Highway Administrator, testified before this committee on the Appalachian highway program. As to its progress Mr. Turner said:

> It does take a little while to get work started in a program of this kind and there is a 1- to 2-year leadtime required in order to get projects moved from the location stage to actual construction, and you know the [Appalachian] act is a little less than 2 years old * * * [though] the number of miles completed is not as great as we would like it to be, but we feel that reasonably adequate progress is being made in the program.

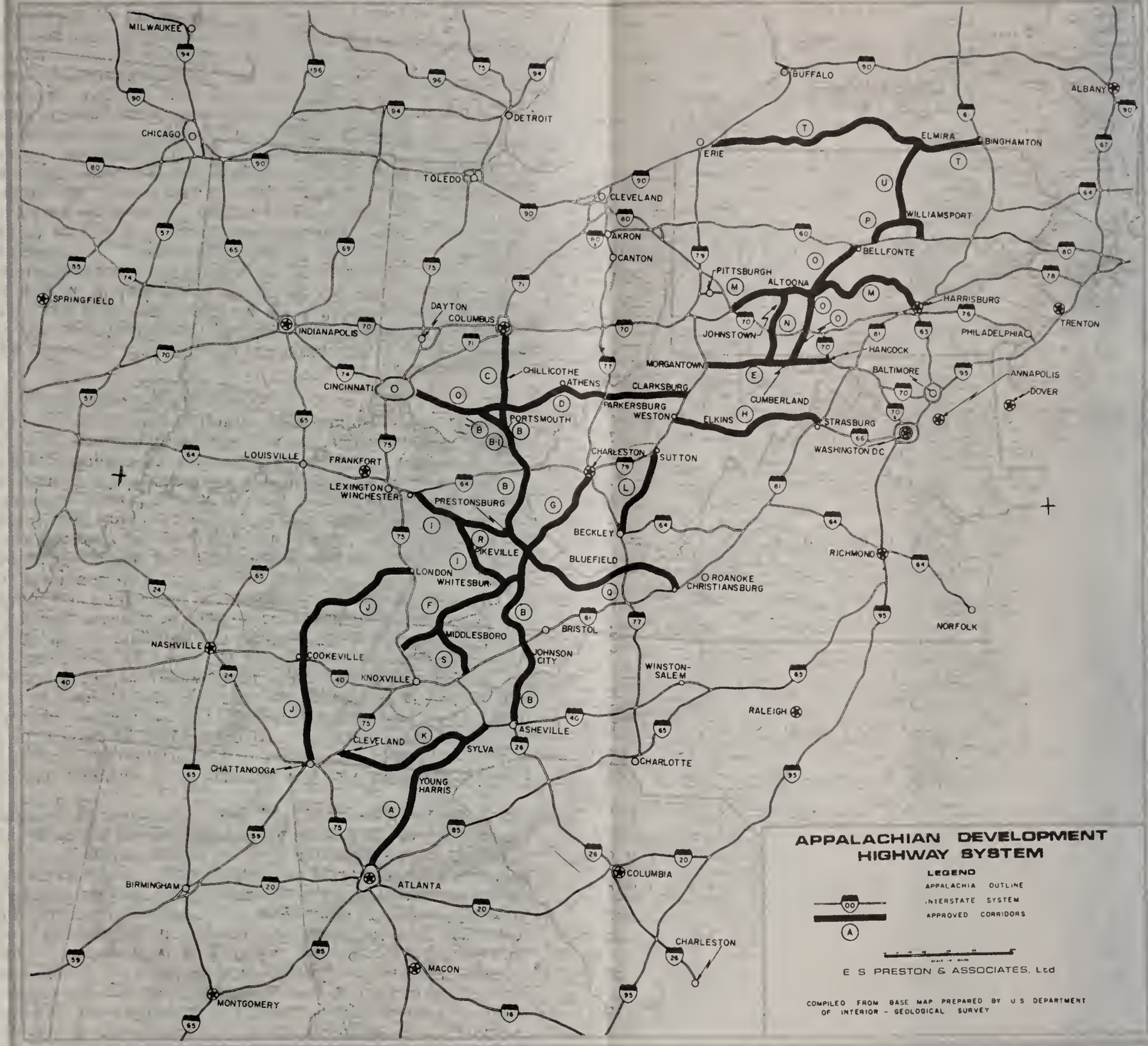
The committee recognizes the difficult and complicated task that the Commission faced in designating the numerous miles of highway corridors. That designation is shown on the accompanying map. The committee understands the problems of allocating $805 million among the member States. The committee commends the Appalachian Regional Commission in achieving these objectives with speed and harmony.

The one area of administration of the Appalachian highway program that has caused some concern is that relating to the use of indigenous material, and coal and coal product research for highway construction and maintenance.

Sections 201 (d) and (e) of the act were intended to encourage increased use of indigenous (coal-based) derivatives in the construction of highways authorized under the act. Testimony indicated that the purpose set forth in section 201 have not been implemented to any significant degree.

In the rush to get Appalachian development highway projects underway, plans and specifications previously approved by the Bureau of Public Roads under other Federal-aid programs, were converted to Appalachian highways. The States, in complying with previous directives of the Bureau of Public Roads relating to Federal-aid projects, specify the lowest first-cost materials in construction. This severely limits the use of coal-based materials on such projects.

In October 1965, the Bureau of Public Roads issued a new directive, stating that the Bureau would approve use of indigenous materials on Appalachian projects, if a State filed a "statement of determination" indicating its intent to use such materials. Division engineers of the Bureau were asked to contact the States with regard to such "statements." West Virginia, Alabama, Georgia and Tennessee have submitted statements indicating that for certain types of work they would prefer to use coal tar.


MILWAUKEE
CHICAGO
DETROIT
TOLEDO
CLEVELAND
AKRON
CANTON
BUFFALO
ERIE
ELMIRA
BINGHAMTON
ALBANY
WILLIAMSPORT
BELLFONTE
PITTSBURGH
ALTOONA
HARRISBURG
TRENTON
PHILADELPHIA
SPRINGFIELD
DAYTON
COLUMBUS
INDIANAPOLIS
JOHNSTOWN
HANCOCK
MORGANTOWN
BALTIMORE
ANNAPOLIS
DOVER
CINCINNATI
CHILLICOTHE
ATHENS
CLARKSBURG
PARKERSBURG
WESTON
CUMBERLAND
ELKINS
STRASBURG
WASHINGTON DC
PORTSMOUTH
LOUISVILLE
FRANKFORT
LEXINGTON
WINCHESTER
CHARLESTON
SUTTON
PRESTONSBURG
BECKLEY
RICHMOND
IKEVILLE
BLUEFIELD
LONDON
WHITESBUR.
ROANOKE
CHRISTIANSBURG
NORFOLK
MIDDLESBORO
BRISTOL
NASHVILLE
COOKEVILLE
JOHNSON CITY
WINSTON-SALEM
KNOXVILLE
RALEIGH
ASHEVILLE
CLEVELAND
SYLVA
CHATTANOOGA
CHARLOTTE
YOUNG HARRIS
BIRMINGHAM
ATLANTA
COLUMBIA
CHARLESTON
MACON
MONTGOMERY
APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM
LEGEND
APPALACHIA OUTLINE
INTERSTATE SYSTEM
APPROVED CORRIDORS
E S PRESTON & ASSOCIATES, Ltd
COMPILED FROM BASE MAP PREPARED BY U S DEPARTMENT OF INTERIOR - GEOLOGICAL SURVEY

To date, however, no project has been let to contract in which the use of coal-based derivatives has been maximized. In two States, Kentucky and Virginia, short projects have been designed to maximize the use of coal tar, but neither of these has been let to contract. In several States, an attitude was expressed that use of local gravel, stone, cement, or other such construction materials would satisfy the intent of the act concerning use of "indigenous" materials.

In summary, the portions of the act referring to use of indigenous materials, in which coal-tar-based products would be included, has been given little emphasis. Most highway departments in the Appalachian States have shown little or no interest in extending the use of coal-based products in the Appalachia development highway and local access road programs. Testimony indicated that attempts to implement provisions of sections 201(d) and (e) have met with indifference, inaction, or apathy in practically all instances. The view was expressed that if the economic health of the coal community is to be improved in the construction of the highways authorized under this act, it will be necessary to strengthen the provisions of section 201(d) and (e).

Section 202. Demonstration Health Projects

Section 202 of the 1965 act authorize $41 million for grants for the construction and equipment of multicounty demonstration health facilities and $28 million for the operation of such facilities. Construction and initial equipment grants are limited to no more than 80 percent of projects costs. Grants for 100 percent of operation costs may be made during the first 2 years a project is in operation and for 50 percent of such costs for the following 3 years. The Congress has appropriated $20.8 million for construction and equipment and $2.7 million for operating grants.

This program was authorized in recognition of the unique problems of providing health services in the rural areas of Appalachia and because adequate health facilities and services are fundamental to the attraction of private investment. It was to *demonstrate* new and improved techniques for the delivery of adequate health services to selected areas of Appalachia. To achieve a thorough appraisal of the health services in the region, the Appalachian Regional Commission established, in August of 1965, a Health Advisory Committee composed of experts in the health field to prepare an evaluation of the health needs and facilities in Appalachia and to recommend criteria for projects.

The Committee recommended, and the Commission adopted, criteria and guidelines for the development of section 202 projects aimed at making comprehensive health services available for all residents of a project's service area. The Committee emphasized three major concepts—regional service, comprehensive care, and demonstration of new health service techniques. To meet these guidelines, projects must include health education, personal preventive services, diagnostic and therapeutic services, rehabilitative services, communitywide environmental health services, and provision for continuing care of persons to encourage the development of a continuing relationship between a patient, his physician, and other health service personnel.

Projects in North Carolina, Ohio, South Carolina, West Virginia, and Kentucky are in an advanced stage of development. In each of

the project areas, careful surveys of medical needs have been or are being conducted. To overcome the shortage of health manpower, training programs are planned for each project.

These projects are being formulated and will be administered by bodies which represent a cross section of the population to be served as well as hospital administrators, public health officers, private physicians, public officials, and others. These projects are designed to insure the coordination of all health facilities and services in the area and to provide private physicians with a significant voice in the project.

Section 203. Appalachian Land Stabilization Program

Section 203 authorized the Secretary of Agriculture to enter into contracts from 3 to 10 years in length with landholders for conservation practices. Seven million dollars was appropriated for fiscal 1966 and $3 million was appropriated for fiscal year 1967. All of the $7 million has been obligated and $3 million for fiscal year 1967 is expected to be obligated by June 30, 1967.

While the administrative structure of the program is patterned on the agriculture conservation program, its focus is somewhat different. The Appalachian Regional Commission established the policy of requiring the participating States to develop State plans for the use of these funds designating target areas and practices to achieve the desired conservation program. Such plans are developed by a committee which generally includes the State member of the Appalachian Regional Commission and representatives of the Agriculture Stabilization and Conservation Service, the Farmers Home Administration, the Extension Service, and the Forest Service.

Due to the requirement of the Appalachian Act that funds be spent in areas with significant potential for growth, the State plans have limited the program to selected areas that would enhance agriculture potential, capitalize on other public investments, such as watershed projects, improve recreation opportunities or to serve the potential of an urban area through the protection of its watershed. This has resulted in plans being prepared for 138 of the 373 counties in Appalachia for 1966 fiscal year. Because of the reduced appropriation for fiscal year 1967 fewer counties will be involved for this year.

Allocation and cost-share value of 1966 sec. 203 program

State	Allocation	Cost-share approved	State	Allocation	Cost-share approved
Alabama	$893,000	$885,640	Pennsylvania	$843,000	$809,991
Georgia	325,000	314,428	South Carolina	188,000	85,215
Kentucky	747,000	695,935	Tennessee	817,000	877,626
Maryland	92,000	91,685	Virginia	368,000	361,781
New York	592,000	584,755	West Virginia	600,000	598,901
North Carolina	488,000	482,726			
Ohio	433,000	413,829	Total	6,375,000	6,202,512

Number of counties eligible for 203 funds under the 1966 State plans

State	Appalachian counties	Eligible for 203 program	State	Appalachian counties	Eligible for 203 program
Alabama	33	11	Ohio	28	14
Georgia	35	14	Pennsylvania	52	16
Kentucky	49	26	South Carolina	6	6
Maryland	3	3	Tennessee	49	14
New York	13	6	Virginia	21	7
North Carolina	29	10	West Virginia	55	10

Testimony presented to the committee raised the question of the conflict created by the emphasis Congress places on the extensions of assistance under this section to "needy" farmers and the emphasis of the act generally on "areas of potential growth."

From its appraisal of this apparent conflict, it is the view of this committee that the emphasis on assisting "needy" landholders should be maintained to the extent that it is consistent with the development of comprehensive land treatment programs within given project areas or watersheds. To achieve maximum benefit from the program, however, increasing emphasis should be given to the development of such comprehensive plans emphasizing watershed protection and the relation of land treatment measures to other forms of development.

The Secretary of Agriculture should review his current regulations and modify them if necessary to permit greater flexibility for the States and local ACP committees in developing comprehensive plans for the use of these funds. The Commission should approve plans that will permit the participation in the program of cooperating landowners who do not meet the "needy farmers" criteria.

Section 204. Timber Development

Section 204 of the Appalachian Regional Development Act of 1965 authorized $5 million for the creation of timber development organizations, which would provide improved management, harvesting, and marketing of forest products for small woodlot owners.

Before implementing this section, the Commission, in collaboration with the U.S. Forest Service, contracted with a timber management consultant to investigate the feasibility of establishing timber development organizations within the limitations of section 204. This study suggested that timber development organizations as envisioned when the act was passed may not be a feasible solution to the problem of improving timber management in the region. The Forest Service is now undertaking several pilot projects to test this conclusion. The first of these is underway in Tennessee and negotiations are in progress for additional projects in Kentucky and New York.

It is expected that the study underway in Tennessee will be completed by May 1967, and the other two studies completed in the ensuing months.

Section 205. Mine Area Restoration

The 1965 act included provisions for the rehabilitation of lands damaged by coal mining practices. Section 205 of the 1965 act authorized the Secretary of the Interior to provide assistance to the States for sealing and filling abandoned coal mines, reclaiming and rehabilitating areas damaged by surface mining, planning, and

executing projects for extinguishing underground and outcrop mine fires, and to expand and accelerate fish and wildlife restoration projects in the region. The Secretary was also directed to conduct a comprehensive study of strip and surface mining in the United States and to submit recommendations to the President for a program of reclamation for such lands. This study is to be submitted by the President to the Congress not later than July 1, 1967. The Secretary was also required by this section to submit an interim report to the Commission on the findings of the study pertinent to the Appalachian region. This report was submitted June 30, 1966.

Thirty-six million dollars was authorized for these purposes, of which $24.85 million has been appropriated.

This program to prevent subsidence and to extinguish and control mine fires was included in the act at the specific request of the Commonwealth of Pennsylvania which is afflicted by these problems, both in the anthracite region in eastern Pennsylvania and in the bituminous area around Pittsburgh. Surface mining is, of course, carried on in most States of the region and surface mine reclamation projects have been approved in Ohio and Tennessee. With the exception of these projects, however, all of the funds approved by the Commission under this section have been approved for projects in Pennsylvania.

As with other Appalachian projects, mine fire, strip mine, and subsidence projects generally serve areas having significant potential for future growth, set forth in a State investment plan. The projects are designed to provide economic development by eliminating the danger of subsidence, heat, or escaping gases from mine fires, and by restoring lands suitable for development. Mining area restoration projects not serving areas where growth is expected are considered where it is shown that such projects will provide opportunities for employment derived from recreational development in the project areas.

The Commission has approved 28 mine fire and subsidence projects in Pennsylvania. The total cost of these is now estimated at $22,595,000, of which the 75-percent Federal share is $16,946,250. Additional Pennsylvania projects are pending which will require another $1.8 million in Federal funds and the State has identified projects which would require in excess of $35 million of Federal funds at the present matching ratio.

Seven strip mine reclamation projects have been approved, which, in total, will require $992,820 in Federal funds. The total cost of these projects is $1,229,447. With the exception of one project adjacent to the Pittsburgh Airport, all of these projects have been related to recreational development.

Section 206. Water Resources Survey

Section 206 of the Appalachian Regional Development Act of 1965 authorized the Secretary of the Army, in consultation with the Appalachian Regional Commission and all appropriate Federal and State agencies, to prepare a comprehensive plan for the development and efficient utilization of the water and related resources of the Appalachian region as an integral and harmonious component of the regional economic development program for Appalachia. Under the leadership of the Office of Appalachian Studies of the Corps of Engineers located in Cincinnati, Ohio, substantial progress has been made to achieve this objective.

Five million dollars was authorized for the survey, and $3 million has been appropriated.

The survey of Appalachia's water resources has been guided by the Water Development Coordinating Committee for Appalachia (WDCCA) organized in September 1965, comprised of representatives from the Appalachian States, Federal agencies, and the Appalachian Regional Commission.

The plan of survey for the overall study has been prepared and adopted by the WDCCA. The plan of survey outlines the scope of the total job. The work programs of the participating States and Federal agencies are defined, and a schedule for their completion is made. The plan of survey stresses the need to formulate the water resources plan for the region that complements the overall development plans being prepared by each of the Appalachian States, and to identify water resource projects with great economic development potential.

The Corps of Engineers has developed procedures for water resource planning evaluation in Appalachia. These procedures measure the full range of developmental benefits that may flow from the provision of water resource goods and services. These procedures will permit a sharper identification of all the benefits required to determine individual project justification.

Each of the Appalachian States has furnished to the Corps of Engineers its appraisal of the critical water resource problems within the State that are considered crucial for economic development. The district offices of the Corps of Engineers have completed initial reports outlining priority water resource development potential and needs including suggested projects. These projects are now being studied by the Federal agencies and the States to determine priority projects for which authorization will be sought as part of the comprehensive plan.

It is understood that the overall study will be comprised of a series of about 10 subregional reports outlining the framework for the comprehensive development of the water and related resources of a subregion. These subregions are groupings of State-designated planning areas. Projects to be recommended for early congressional authorization will be detailed and presented in the overall final report for the study as well.

It is anticipated that the study will be completed for submission to Congress by December 31, 1968.

Section 211. Vocational Education Facilities

Congress authorized $16 million in section 211 of the Appalachian Act. Of this amount $8 million was appropriated in fiscal 1966 and $8 million in fiscal 1967. These sums are in addition to the sums provided its Appalachian States under the Vocational Education Act of 1963.

As of January 1, 1967, the Appalachian Regional Commission had approved 31 vocational education projects using a total of $7,544,000 in section 211 funds, while another 28 projects requesting a total of $9,725,500 is now under review at the Commission and in the State education departments.

These funds have served to fulfill two of the greatest needs in the Appalachian region: To upgrade the skills of those unemployed and

to provide skills to those about to enter the labor force. In addition, the vocational education program in Appalachia is providing opportunities for job training for those who live in the more remote and isolated sections of the region.

Section 211 funds have been essential to not only continuing vocational education plans in the States, but accelerating them or (as in the case of Kentucky) initiating new construction plans.

The approved projects utilizing section 211 funds will provide a variety of skills for 15,600 new students annually. Section 211 projects now under review will provide facilities for another 18,000 students annually. Taken together, all vocational education projects constructed with funds from sections 211 and 214 will provide new and expanded facilities for almost 45,000 students annually.

The Vocational Education Act of 1963, which section 211 increases, provided Appalachia with $6 million in construction funds in fiscal 1965, $10 million in fiscal 1966, and it is estimated that about $10 million will be spent in the region in fiscal 1967.

A survey of the Appalachian State vocational education directors indicates that plans and applications are in preparation for vocational education needs in fiscal 1968 requiring almost $40 million in Federal grant-in-aid funds.

Under present authorization levels and apportionment formulas, no more than $8 million will be available to the Appalachian counties in fiscal year 1968.

Through legislative or administrative means, several of the States authorized two or more school districts to combine for the financing and sponsorship of area vocational schools. This has accelerated the pace of vocational school construction and increased demand for Federal vocational education funds.

Section 212. Sewage Treatment Works

Section 212 of the Appalachian Act authorizes $6 million for grants for the construction of sewage treatment facilities in accordance with the Federal Water Pollution Control Act. Three million dollars were appropriated in fiscal year 1966 and $3 million in fiscal year 1967. These funds are in addition to the sums provided the Appalachian States under the Federal Water Pollution Control Act.

As of January 1, 1967, the Commission had approved 11 sewage treatment projects using a total of $1,908,810 in section 212 funds. Another 16 projects requesting a total of $2,631,053 are under review at the Commission, in the regional offices of the Federal Water Pollution Control Administration, or in the States.

The committee understands that section 212 funds have been used at a slow rate due to the fact that a State's 212 allocation is not used until its allotment of Federal funds under the Water Pollution Control Act has been committed to projects and sent to the regional offices of the Federal Water Pollution Control Administration. This has meant that it has been late in the fiscal year when section 212 funds have been committed to projects.

Amendments to Housing Act of 1964

Section 213 of the Appalachian Regional Development Act of 1965 amended section 701 of the Housing Act of 1964 to authorize grants, at 75 percent of the costs, to the Commission for comprehensive planning for the region, and to the States for planning Appalachian programs.

Under the authority of this section, planning grants have been approved for the Commission and several of the Appalachian States. North Carolina, Tennessee, New York, Ohio, and Alabama are receiving funds to assist in the preparation of State investment plans, including special studies of Appalachian problems.

In addition, the Commission has received a section 701 grant to support a long-range study and planning effort directed at the central Appalachian area of Kentucky, Tennessee, Virginia, and West Virginia. This program will be administered by the Commission staff in conjunction with the representatives of the States involved.

Supplemental Grant-in-Aid Program

Section 214 of the Appalachian Regional Development Act of 1965 authorized $90 million for supplemental grants to enable the States, local governments, and other applicants to take full advantage of Federal grant-in-aid programs, for the construction or equipment of facilities, or the acquisition of land, authorized on or before March 9, 1965, the effective date of the act. Supplemental grants may increase the Federal share of the project costs authorized under a basic grant-in-aid program to a maximum of 80 percent of the costs. Forty-five million dollars were appropriated for fiscal 1966 and $30 million for fiscal 1967.

As of January 1, 1967, the Appalachian Regional Commission had approved 221 supplemental grants totaling $35 million. Two hundred and twenty-nine projects requesting $39 million in 214 funds are now under review at the Commission or in the States. Most of these 450 projects, representing a total cost of $350 million, are of six types: hospitals, higher education, vocational education, sewage treatment, libraries, and airports.

In 1964 and 1965, testimony presented to the committee in support of supplements for Federal grant-in-aid programs established that eligible applicants in the region had been unable to provide the necessary matching funds to take full advantage of Federal grant-in-aid programs. The effect of the section 214 program can be seen by a comparison of Federal money spent in the region in fiscal 1965 (when no 214 funds were available) and fiscal 1966 (when they were) (table I).

TABLE I.—*Public facilities construction expenditures in Appalachia, for six selected programs, fiscal years 1965 and 1966*

Program type	Fiscal year	Total cost	Basic Federal funds	State and local funds	214 supplemental
Libraries	1965	$5,747,972	$2,054,974	$3,227,895	
	1966	8,834,917	3,736,887	3,105,575	$1,992,455
Vocational education	1965	16,210,914	6,157,296	10,053,618	
	1966	32,462,723	13,696,215	14,691,563	4,074,945
Higher education	1965	79,658,575	18,950,993	60,707,582	
	1966	186,030,893	43,662,098	133,401,597	8,967,198
Sewage treatment	1965	46,461,844	11,829,037	33,817,457	
	1966	48,058,025	13,612,113	28,716,636	5,300,276
Hospitals	1965	56,234,333	18,209,797	38,024,536	
	1966	68,157,298	25,131,005	36,295,581	6,730,712
Airports	1965	15,869,140	7,934,570	7,934,570	
	1966	21,288,544	10,644,272	9,842,673	801,599
Total	1965	[1] 220,182,778	65,136,667	153,765,658	
	1966	[2] 364,832,400	110,482,590	226,053,625	27,867,185

[1] Includes grants made under APW.
[2] Includes grants made under EDA.

In fiscal 1965, $65 million in Federal grant-in-aid funds, covering the six major programs noted above, were spent in the region. In fiscal 1966, $27.8 million in section 214 funds supplemented $110.5 million from those same six programs—an increase of $45.4 million. In both fiscal years the basic Federal grant-in-aid percentage of total project costs continued at an average 29 percent.

Section 214 has proved to be "seed money," not only in relation to other Federal funds, but in the attraction of State funds as well. While it is still too early to compile definitive data on this point, preliminary indications are that State legislatures in the region are being asked to provide greater amounts of State funds to help match Federal grant-in-aid programs.

On the basis of grants approved as of January 1, 1967, each dollar of section 214 money has accounted for $1.85 in other Federal funds, and has attracted a $1.90 in State and local money, or a total of $4.75 in all projects, as indicated in table II. Section 214 funds have accounted for an average of 21 percent of total project costs.

TABLE II.—*Approved 214 projects as of Jan. 1, 1967*

Program type	Number of projects	Total cost	Sec. 214	Basic	State	Local
Libraries	29	$9,087,580	$2,483,512	$3,410,641	$52,014	$3,141,412
Vocational education	44	26,464,680	6,148,005	[1] 13,668,294	2,296,976	4,351,405
Higher education	37	51,889,043	9,741,879	16,717,517	11,820,883	13,608,764
Sewage treatment	31	20,351,621	5,268,289	[2] 6,011,196	1,960,460	7,111,676
Hospitals	51	42,548,238	7,532,798	18,250,902	1,490,562	15,273,974
Airports	11	4,106,120	914,971	2,007,868	256,000	927,281
Other	18	13,772,063	2,907,913	6,886,797	2,461,131	1,516,220
Grant total	221	168,219,345	34,997,369	66,953,215	20,338,026	45,930,733

[1] Includes $7,544,017—211 funds.
[2] Includes $1,908,810—212 funds.

Less than a third of the supplemental grants approved by the Commission have raised the Federal grant to 80 percent of project costs. This judicious use of these funds based on the need of the applicants is a tribute to the States and the Commission.

Moreover, within the States, supplemental grant funds have been a key element in the implementation of State investment plans. Alabama, for instance, as table III shows, has concentrated almost all of its section 214 money in the area of higher education. Maryland has used its funds almost entirely for the expansion of hospital facilities The majority of Georgia's funds under this section have supplemented projects which will eliminate water pollution in the major river and water shortages areas in northern Georgia. Kentucky's plan detailed a 4-year investment schedule using almost all of its section 214 money in the construction of vocational education facilities in its eastern counties. Thirteen of these schools have been funded and are now nearing completion, eight more have been approved and funded, three are pending at the Commission, and nine more are planned for fiscal 1968.

TABLE III.—*Approved and pending 214 funds, through June 30, 1967, by project type*

[Dollar amounts in thousands]

State	Total	Libraries		Vocational education		Higher education		Sewage treatment		Hospitals		Airports		Other	
		Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Alabama	$7,707	$323	4	$511	7	$5,161	67	$476	6	$610	8	0	0	$627	8
Georgia	5,382	253	5	699	13	708	13	1,794	33	1,422	26	$141	3	364	7
Kentucky	5,829	200	3	3,075	53	0	0	0	0	1,414	24	0	0	1,140	20
Maryland	3,289	122	3	354	12	0	0	444	13	2,039	62	30	1	310	9
New York	4,900	357	7	895	18	300	6	1,920	40	850	17	208	4	370	8
North Carolina	3,363	215	6	1,154	34	957	29	251	8	641	19	145	4	0	0
Ohio	6,206	149	2	2,068	33	244	4	1,383	22	1,955	32	42	1	365	6
Pennsylvania	14,132	1,767	12	3,614	26	2,670	19	1,589	11	3,168	22	1,082	8	240	2
South Carolina	4,915	0	0	1,058	21	1,929	40	1,389	28	227	5	0	0	313	6
Tennessee	7,301	117	2	450	5	3,105	43	1,500	20	2,014	28	118	1	43	1
Virginia	2,822	70	2	1,308	46	225	8	491	18	560	20	80	3	89	3
West Virginia	8,616	585	7	1,154	13	3,257	38	190	2	1,636	19	1,040	12	754	9
Total	74,462	4,148	6	16,295	22	18,556	25	11,427	15	16,535	22	2,886	4	4,615	6

Section 302. Local Development Districts and Research

Section 302 of the act authorized $5.5 million for grants for administrative expenses of local development districts and to provide funds for research and demonstration projects which will further the purposes of the act. $2,500,000 was appropriated in fiscal year 1966, and $2,750,000 in fiscal year 1967 to carry out the section. The Commission has allotted $3.3 million of these funds for the local development district program and the balance for studies and research.

Under section 301 of the act, the Governors of the Appalachian States may certify local development districts to the Commission. The local development district program was included in the Appalachian bill to provide a means for consolidating planning and financial resources in the areas of the region where dispersed populations have made the development of adequate public services and facilities very difficult. It was hoped that this device would help to promote multicountry cooperation in the planning and provision of public services and facilities which could not be supported by the tax base of a single county or municipality. The provision of trained personnel to assist local leaders in development programs was viewed as an additional benefit. The requirement that development districts be certified by a Governor or Governors was designed to lend further assistance to the chief executives of the States in carrying out their responsibilities under the act.

To assist the States in the initial phase of the Appalachian program to do the planning and project preparation required of them, and to encourage the development of a well-organized and coordinated system of development districts, the Commission established the policy of limiting administrative expense grants during the first year of the program to State-sponsored institutions with the proviso that a primary function of such units would be the planning, generation, and organization of truly local development organizations.

Each of the 12 States applied for assistance in accordance with this policy, and development districts supported by 302 grants and State matching funds have been established in all of the States. The composition of these institutions varies widely according to the size of the State's area within the region, the history of local planning organizations within the State, the capabilities of State planning agencies, and the views of the Governor as to the proper means for assisting local development efforts.

A number of States have established offices within their Appalachian area designed to serve multicounty areas designated by the Governor. West Virginia, North Carolina, Georgia, Ohio, Maryland, and South Carolina all have local development agencies outside of the State capitol supported by 302 funds. The other States are working toward the establishment of such offices.

Section 302(a)(2) authorizes funds for investigation, research studies, and demonstration projects. The Commission has not allocated these funds on a State-by-State basis for this purpose but has approved research and demonstration projects, largely under Commission management, designed to increase the information available to the Commission for its own use, and to facilitate the planning required of the States by the act and by Commission resolutions. Section 302 funds have supported the staff of the Health Advisory Com-

mittee described under section 202, and retained a highway consultant, among others.

Because of its strategic location and attractive terrain, the Appalachian region is often viewed as a mecca for tourists and recreation is considered by many to be the key to its economic future. In order to obtain a tangible and precise appraisal of the role of recreation in economic development, the Commission contracted with an economic consultant to study this potential. This study, which was completed in November 1966, suggests that investments and recreational projects may be desirable from a social or esthetic point of view but that the low wages and second employment patterns which are characteristic of recreational facilities, render recreation a very junior partner in an economic development effort.

The Commission has undertaken a number of other studies to develop information on public facilities in the region, and an inventory of economic and demographic data available from a variety of sources. The Commission has also collaborated on a number of research projects required by the Corps of Engineers in accordance with the section 206 study. These have been funded jointly.

CONCLUSION OF PROGRAM REVIEW

The foregoing confirms the promise and hopes which were placed on the Appalachian program when it was considered by this committee in 1964 and 1965. There has been a full demonstration of the feasibility and practicability of the approach taken. The achievements to date give full promise for great success.

It is worthy of comment that during the course of the hearings no adverse criticism was levied at the Appalachian Regional Commission, the States, or the Federal agencies involved in the programs.

A number of private witnesses representing the business, educational, labor, and religious leadership of Appalachia did ask that the committee consider additional programs which would concern themselves with the development of human resources. The committee concurs in their belief that Appalachia is as much the people of the region as it is a physical phenomenon. Aside from the highway program, expenditures during the first 2 years of the program have been largely concerned with health and education. S. 602, as amended, gives further evidence of congressional concern by providing additional programs oriented directly to the people of the region.

Increasing national demand for goods and services has absorbed to an increasingly greater extent the manpower and resources of the Appalachian region. This has led to the suggestion that the need for a regional development program has abated. This is a judgment in which this committee cannot concur. While economic growth has not totally bypassed the Appalachian region, decades of neglect and deterioration are not to be corrected overnight. Until they are overcome, the region cannot make its full potential contribution to national output and wealth. The region presently imposes a disproportionate drain on the national economy through the need for welfare payments, and the current state of its development bars it from adding to the national product the full potential of its human and other resources.

While unemployment in the Appalachian region has fallen substantially since the President's Appalachian Regional Commission was organized in 1963, a significant disparity in this regard still prevails between the Appalachian region and the national average. The most recent available estimates show unemployment in the region more then 15 percent greater than the national average. This overall figure obscures the fact that there are places in the region in which unemployment is seven to eight times the national average, and numerous instances exist in which the national average is exceeded four to five times.

More importantly, the gap between income in the Appalachian region and the national average cited by the President's Appalachian Regional Commission has not been narrowed, and, in fact, despite the great vitality of the national economy, Appalachian per capita income has barely maintained the same relative position compared to the national figure that existed in 1963. If in a period of active demand for resources the region was barely able to hold its own, it is clear that national prosperity, by itself, will not solve the problems of the region. Thus, while unemployment has dropped in the region, both through a growth in employment and continued out migration due to manpower demands elsewhere in the country, the income available to the people of the region relative to the Nation has not increased.

Beyond this appraisal of continuing economic need, the simple fact is that a remedial effort of the scope required to build a sound economic base in this region requires an effort of the States and their local governments in a magnitude, relative to their resources, substantially greater than for the more affluent sections of our country.

Section 221 of the Appalachian Act requires that the States maintain their financial efforts in their Appalachian areas to insure that the special Federal assistance provided does not replace State funds which would otherwise be used. The reports required by the Commission in satisfaction of the act indicate clearly that the Appalachian States are making a major effort in their own behalf. Expenditures of the States in the Appalachian region have increased 18 percent over the average expenditures for the base period 1963–64.

MAJOR PROVISIONS OF THE BILL AS REPORTED

While the concept of Appalachia as a working partnership between the States and the Federal Government has proven itself in the 2 years the program has been in existence, experience has indicated the need for adjustments to facilitate its operation.

The bill, as reported, contains no sweeping changes in the original legislation. The basic structure of the Commission and the underlying philosophy of State-Federal cooperation remain unchanged.

Additional Federal programs will be included under the umbrella of the Appalachian Regional Commission. Among these are technical assistance grants and loans to encourage low- and moderate-income housing under the provisions of section 221 of the Housing Act of 1954, the extension of the availability of planning money under section 701 of the Housing Act of 1954 to the so-called local development districts, timber products research, the development of a program for mine acid pollution control and cultural program assistance. These and other modifications are explained in the comparison summary and section-by-section analysis which appear later in this report.

AUTHORIZATION CHANGES

S. 602 does not substantially expand the activities of the Appalachian program. The bill as reported authorizes the appropriation of $273,650,000, exclusive of the Appalachian Development Highway System, for the 2-fiscal-year period ending June 30, 1969. The 1965 act authorized an appropriation of $252,400,000 for the period ending June 30, 1967.

The major portion of this increase results from the inclusion of four new programs—hardwood timber product research, technical assistance for housing, the development of a mine acid pollution control program, and cultural program assistance.

The Appalachian highway program authorization which extends through June 30, 1971, would be increased by $175 million.

APPROPRIATION OF FUNDS

The primary change recommended by S. 602 provides for the appropriation of funds to the President. It is expected that the President will carry out the authorized programs by transferring the appropriate funds to the Federal Cochairmen for disposition in accordance with this legislation.

As introduced, the legislation would have provided for appropriation of all funds authorized to the Appalachian Regional Commission for subsequent transfer to operating agencies of the Government to carry out authorized programs. This approach to funding the Appalachian program was considered as a means for achieving a consolidated review of the program in the appropriations process. Under the authority of the Appalachian Regional Development Act of 1965, the appropriation requests for program funds have been submitted within several departmental budgets. Only funds to cover its administrative expenses have been appropriated directly to the Appalachian Regional Commission. Based on the experience of the past 2 years, especially in view of the modest nature of the program when broken down into its constituent elements, the inclusion of appropriation requests for particular Appalachian programs in the larger budgets of the executive departments which are responsible for implementing the individual programs, has deprived the Commission of the ability to propose prepare, present, and fight for the money it needs to make the total program work.

Originally direct appropriations to the Commission was suggested as a way to bring about a more effective and comprehensive presentation of the program in the appropriations process. The testimony received by the committee from the State and Federal Cochairmen of the Commission indicated clearly that this provision is not intended to change the administrative structure of the program; neither is it intended to make the Commission an operating agency, nor is the responsibility for implementing the basic action programs authorized by the act to be removed from the appropriate Departments of the Federal Government.

The Committee found that the appropriation of program funds directly to the Commission could create a management problem within the executive branch of the Federal Government, because of the precedent which would thereby be established of appropriating funds to agencies not totally responsible to Federal authority.

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The committee has thoroughly considered the issues involved in the authorization of direct appropriations to the Commission. It is in sympathy with the view that appropriations for the Appalachian program should be sought on a consolidated basis. Similarly, it is aware of the concern of the President and the Bureau of the Budget about fragmentation of fiscal control.

In order to facilitate the most efficient operation of the program, and to accommodate the views of all parties on this issue, the bill reported by the committee authorizes the appropriation of all funds authorized by the act, except for the Federal share of the Commission's administrative expenses, to the President.

From discussions with the Executive Branch, it is the Committee's understanding that funds appropriated to the President to carry out the act will be transferred by him to the Federal Cochairman of the Commission for further allocation among the Federal agencies and departments authorized to carry out the programs authorized by the act and for grants to the Commission for administrative expenses of local development districts and for research. This procedure is viewed by the committee as a device for achieving a single review of the program in the appropriations process without establishing the precedent of appropriating program funds directly to a Federal-State commission.

The bill reported by the Committee continues to authorize direct appropriations to the Commission for the Federal share of its administrative expenses so as to further emphasize the Federal Government's commitment to its partnership with the State members.

PROGRAM IMPLEMENTATION

Another amendment to the 1965 act would give the Commission itself the authority to approve programs and projects. This change likewise appears necessary if the program is to fulfill the promise it now holds for the revitalization of the Appalachian region. The State-Federal partnership created by this act is such that once any State involved has requested a particular project—and the Commission, including the Federal Cochairman—reviews and approves it as meeting the applicable criteria of the act, there is no reason for the Federal agency carrying out the Federal portion of the program or any other Federal agency to have the final word on whether or not the program will in fact become a reality. This program was undertaken in 1965, in part, as an experiment in creative federalism. It was looked at as a test of the ability of State governments to more adequately meet their needs. If they are to do this, it seems to the committee that they must be given the opportunity to make the decisions. The Federal interests in these programs will be properly and fully protected by the Federal Cochairman.

Inclusion of Additional Counties in the Region

S. 602 recommends the addition of 18 counties in Mississippi. Much of northeastern Mississippi shares common economic, social, and physical characteristics with counties in the Appalachian region. This area of Mississippi exhibits many of the same conditions of deprivation, such as, unemployment, educational lag, health needs, public

facilities shortages and lack of adequate access which the Appalachian program is seeking to alleviate in the region.

In addition, two counties in Alabama would be included, as well as one in New York.

To guard against continual expansion of the region encompassed by the Appalachian program the committee has recommended langauge which provides that no recommendation for any further additions to the Appalachian region will be proposed or considered by the Commission unless the Congress has requested a study of such additions.

AMENDMENTS TO THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

As a result of suggested amendments introduced by Senator Fred Harris, of Oklahoma, the committee considered and reported as title II of S. 602, three amendments to title V of the Public Works and Economic Development Act of 1965. The first is a clarifying amendment to insure the development of a comprehensive long-range economic development plan to govern the expenditure of funds in any of the title V regions. The second relates to the allocation of administrative and technical assistance and research funds to the regional commissions established pursuant to title V of that act. The third is a provision authorizing the appropriation of funds for "Supplements to Federal grant-in-aid programs."

It is the committee's strong belief that the success of the Appalachian program gives strong evidence that the other commissions, Ozarks, Upper Great Lakes, New England, Coastal Plains, and Four Corners, will benefit greatly from the availability of such funds.

SUMMARY OF APPALACHIAN PROPOSALS

Comparison With Existing Provisions of Law

Findings and statement of purposes.—No change.

Title I—The Appalachian Regional Commission

Section 101. Membership and voting

No change.

Section 102. Functions of Commission

Section 102, S. 602

Repeal (9) relating to advice to the Secretary of Commerce on grants of administrative expenses to local development districts.

Section 103. Recommendations

No change.

Section 104. Liaison between Federal Government and the Commission

No change.

Section 105. Administrative expenses of Commission

Section 103, S. 602

50–50 Federal-State sharing of expenses.

(a) Expenses of Federal Cochairman, alternate, and staff to be sole responsibility of Federal Government.

(b) $400,000 of $1.7 million authorized for administrative expenses of Federal Cochairman, his alternate, and staff.

$2.2 million authorized for fiscal years 1966 and 1967 (an additional $200,000 from sec. 401 for Cochairman's expenses, etc.).

$1.7 million authorized for fiscal years 1968 and 1969 to be appropriated to the Commission.

Appropriations	*Millions*
Fiscal year 1966	$1.29
Fiscal year 1967	1.10
Total	2.39

Section 106. Administrative power of Commission

Section 104, S. 602

(7) Authority to lease office space through June 30, 1971.

Section 107. Information

No change.

Section 108. Personal financial interests

No change.

Title II—Special Appalachian Programs

Section 201. Appalachian development highway system

(70–30 maximum matching ratio)

Section 105, S. 602

(a) Projects approved by Commerce following recommendations of ARC: 2,350 miles, development highways; 1,000 miles of local access roads.

(a) Department of Transportation to carry out construction of 2,700 miles of developmental highways and 2,000 miles of access roads.

(d) Deleted the words "mineral resource" so that preference may be applied to any indigenous material or product.

(e) Amended to make use of coal and coal products on 10 percent of roads mandatory. Currently permissive.

(g) $840 million authorized fiscal years 1966–71.

(g) Authorization: $715 million for fiscal years 1968–71. This is in addition to the $300 million which has been appropriated for roads and represents an increase of $175 million over the 1965 authorization; $140 million to total increase for New York development roads and New York-Pennsylvania connection; $35 million for local access road program.

Appropriations	*Millions*
Fiscal year 1966	$200
Fiscal year 1967	100
Total	300

(h) Advance construction of development highway projects with possible Federal repayment. Specific language stating advance construction not to be construed as a commitment or obligation of the United States to provide funds. Advance construction may not be used to increase total construction authorization.

Section 202. Demonstration health projects

Construction.—80–20 matching ratio;
Operations.—100 percent Federal first 2 years of grant, 50 percent next 3 years;
Planning grants.—75–25 matching ratio (new).

Section 106, S. 602

New proposal: Planning grants for development and evaluating of demonstration health projects.

Provides funds for Commission's Advisory Committee on Health.

Operating funds no longer limited to facilities constructed with 202 funds.

Separate authorizations for construction and operation replaced by a single authorization to cover both as needed.

Authorization: $70 million for fiscal years 1968 and 1969.

Total authorized: $69 million.

Appropriations	*Millions*
Fiscal year 1966	$21. 0
Fiscal year 1967	2. 5
Total	23. 5

Section 203. Land stabilization, conservation, and erosion control

(80–20 matching ratio)

Section 107, S. 602

$17 million authorized fiscal year, 1966 and 1967.

$19 million authorized fiscal year 1968 and 1969.

Appropriations	*Millions*
Fiscal year 1966	$7
Fiscal year 1967	3
Total	10

Section 204. Timber development organization

Section 108, S. 602

$5 million authorized fiscal year 1966 and 1967.	(b) Adds $4 million Appalachian hardwood products research program. The $1 million appropriated for TDO's will remain available until expended ($900,000 unspent to date).

Appropriations	*Millions*
Fiscal year 1966	$1
Fiscal year 1967	0
Total	1

Section 205. Mining area restoration

(75–25 matching ratio)

Section 109, S. 602

	Restoration projects costs may include reasonable planning, engineering, and land acquisition costs. Sealing and filling voids in coal mines broadened to include oil and gas wells. Strip mine reclamation broadened to include areas covered with waste piles.
$36.5 million authorized fiscal years 1966 and 1967.	$39.150 million authorized fiscal years 1968 and 1969.

Appropriations	*Millions*
Fiscal year 1966	$17.35
Fiscal year 1967	7.50
Total	24.85

Section 206. Water resource survey

Section 110, S. 602

Corps of Engineers' report by December 31, 1968. $5 million authorized fiscal years 1966 and 1967.	$2 million authorized fiscal years 1968 and 1969.

Appropriations	*Millions*
Fiscal year 1966	$1.5
Fiscal year 1967	1.8
Total	3.3

Section 207. Housing (new proposal)

Section 111, S. 602

Program incentives. Technical assistance grants and loans to encourage low- and moderate-income housing projects under section 221 of the National Housing Act. Up to 80 percent of cost with revolving fund.

$5 million authorized for fiscal years 1968 and 1969.

PART B—SUPPLEMENTATIONS AND MODIFICATIONS OF EXISTING PROGRAMS

Section 211. Vocational education facilities

Section 112, S. 602

For construction.

Add: Equipment for new and existing facilities.

$16 million authorized for fiscal years 1966 and 1967.

$18 million authorized for fiscal years 1968 and 1969.

Appropriations	*Millions*
Fiscal year 1966	$8
Fiscal year 1967	8
Total	16

Section 212. Sewage treatment works

Section 113, S. 602

$6 million authorized fiscal years 1966 and 1967.

$6 million authorized fiscal years 1968 and 1969.

Appropriations	*Millions*
Fiscal year 1966	$3
Fiscal year 1967	3
Total	6

Section 213. Amendments to Housing Act of 1954

Section 114, S. 602

Amends section 701 (a) and (b) of Housing Act of 1954 to include local development districts for planning money.

No authorization of funds needed.

Section 214. Supplements to Federal grant-in-aid programs

Section 115, S. 602

Under this section, programs to include all future grant-in-aid programs, the President to provide funds to the Federal Co-chairman

$90 million authorized fiscal years 1966 and 1967.

$97 million authorized for fiscal years 1968 and 1969.

Appropriations	*Millions*
Fiscal year 1966	$5
Fiscal year 1967	70
Total	75

Section 215. Cultural programs (new)

Section 116, S. 602

$500,000 for grants to carry out programs and projects which meet the standards of the National Foundation of Arts and Humanities Act of 1965, to serve all the people of the region.

PART C.—GENERAL PROVISIONS

Section 221. Maintenance of effort

Section 117, S. 602

Technical amendments to clairfy types of expenditures not included in measuring State effort-Interstate Highways funds and local funds excluded.

Section 222. Consent of States

No change.

Section 223. Program implementation

Section 118, S. 602

Redefines responsibilities of Commission and Federal agencies.

Commission judgment final re: Application of act's criteria.

Federal agencies responsible for technical evaluation of projects and implementing programs and projects approved by the Commission.

Section 224. Program development criteria

Section 119, S. 602

(a) Technical amendment, to conform language to Commission's authorization to approve projects rather than recommend them.

(b) Technical amendment, to strengthen and clarify antipirating provision.

Title III—Administration

Section 301. Local development districts—Certification

No change.

Section 302. Local development districts

Section 120, S. 602

$5.5 million authorized fiscal years 1966 and 1967.

Add: Comprehensive action program for acid pollution control report by March 31, 1969.

$13 million authorized fiscal years 1968 and 1969:

$10 million for administrative expenses of local districts and technical assistance.

$3 million for pollution control.

Appropriations

	Millions
Fiscal year 1966	$2.50
Fiscal year 1967	2.75
Total	5.25

Section 303. Project approval

Section 121, S. 602

Change in language but not of substance; requires all applications through the State member of the Commission.

Section 304. Annual report

No change.

Title IV—Appropriations and Miscellaneous Provisions

Section 401. Authorization of appropriations

Section 122, S. 602

Appropriations to President.—It is expected that the President will transfer such funds to the Federal Cochairman. Unexpended fiscal year 1966–67 funds transferred to President.

$252.4 million authorized fiscal years 1966 and 1967.

$273.650 million authorized fiscal years 1968 and 1969.

Appropriations

	Millions
Fiscal year 1966	$107. 64
Fiscal year 1967	59. 65
Total	167. 29

$1.7 million for commission expenses not included;

$7.15 million for roads not included.

Section 402. Applicable labor standards

No change.

Section 403. Definition of Appalachian region

No change.

Section 123, S. 602

Lamar and Pickens Counties, Ala.

Eighteen counties in Mississippi pursuant to invitation from the State members of the Commissions. These 18 counties make up the Tombigbee River Valley Water Management District and the northeast Mississippi resource conservation and development project area.

Thirteen counties added pursuant to provisions in the 1965 act, re New York plus Schoharie County.

Language to prohibit future changes in the regional definition without prior request of Congress.

Section 404. Severability

No change.

Section 405. Termination

No change.

SECTION-BY-SECTION ANALYSIS

The following analysis of S. 602 discusses all of the recommendations contained in the bill reported by the committee. It describes in some detail the modifications the committee believes are needed together with justifications.

TITLE I

Section 101

Short title, citing title I as the "Appalachian Regional Development Act Amendments of 1967".

Section 102

Functions of the Commission amend section 102 of the 1965 act, defining the Commission's general functions, by eliminating clause (9) concerning advice to the Secretary of Commerce on applications for grants for administrative expenses of local development districts. This provision conforms section 102 of the act to the change which would be implemented by section 120 of the bill, as reported, which would transfer to the Commission the authority now exercised by the Secretary of Commerce to make these grants.

Section 103. Administrative expenses of the Commission

This section amends section 105 of the act to authorize appropriations of $1,700,000 directly to the Commission to pay the Federal Government's 50 percent share of the Commission's administrative expenses for the 2-fiscal-year period ending June 30, 1969, and the full cost of the administrative expenses of the Federal Cochairman, his alternate and his staff, for the same period.

On the basis of experience to date, it is felt that the Federal member of the Commission should be solely responsible to the Federal Government. Therefore, the costs of the Federal Cochairman should be borne entirely by the Federal Treasury. The amount of $400,000 is authorized for this purpose for a 2-fiscal-year period ending June 30, 1969. These funds will support the Federal Cochairman, his alternate, a staff of four professionals and four secretaries. In addition, $1,300,000 is authorized for the Federal contribution to the support of the Commission's staff for this 2-year period. These funds will be matched dollar-for-dollar by the States.

These funds will be appropriated directly to the Commission as was the case in the 1965 act.

Section 104. Administrative powers of the Commission

This section amends section 106 of the act, defining the administrative powers of the Commission, to authorize the Commission to lease office space for any term expiring not later than June 30, 1971.

Section 105. Appalachian development highway system

This section makes a number of substantive changes in section 201 of the 1965 act. It conforms subsection (a) to the line agency authority established by other congressional action. The Secretary of

Transportation was substituted for the Secretary of Commerce as the Federal officer responsible for assisting the States in the construction of the Appalachian development highway system and local access roads serving the region.

The mileage of the development highway system is increased by 350 miles bringing the total authorized from 2,350 to 2,700 miles. This increase in mileage is necessary to accommodate the inclusion of an East-West corridor through New York State connecting Erie, Pa., and Binghampton, N.Y. A corridor connecting Elmira, N.Y., to Williamsport, Pa., would also be included in this increase.

When Congress enacted the Appalachian Regional Development Act of 1965, many of the programs were based upon suggestions made in the report of the President's Appalachian Regional Commission. This was particularly true of the development highway system. The $805 million authorized for this program was based generally upon specific corridors and estimates outlined in the PARC report.

New York State was not included among those studied in the PARC report. However, in view of New York's subsequent inclusion in the region, the committee believes that provision should be made for a development highway corridor in New York State and a connecting link in Pennsylvania.

Local access road mileage would also be increased from 1,000 to 2,000 miles and "educational facilities" would be brought into the definition of facilities for which local access road construction would be permitted.

A clarifying amendment is added which provides that local access roads will be constructed generally under regularly Federal-aid secondary road procedures.

Subsection (b) of section 201 is amended to provide that the Commission would be responsible for approving highway programs and projects to be implemented by the Secretary of Transportation. Under the original section 201, as amended by the Department of Transportation Act, the Commission would recommend projects to the Secretary of Commerce, and the Secretary of Commerce would then recommend those projects which he finds acceptable to the Secretary of Transportation for implementation. The bill provides that the Commission shall "transmit its designations" rather than "submit its recommendations" to the Secretary of Transportation for general corridor locations, priorities for construction of development highway segments, and local access roads, and for other criteria for the road program. The need for a State member to consult with his State highway department as required by the 1965 act is retained.

Subsection (c) of section 201 is amended by the bill, as reported, by omitting the provision that, with respect to highway recommendations, the Secretary shall have authority to approve them in whole or in part or otherwise require modifications or revisions thereof. A clarifying amendment specifies that the States shall maintain local access roads as well as development highways. The maintenance requirements imposed upon the States would be the same as those for Federal-aid highways under title 23, United States Code.

Subsection (d) of section 201 of the act is amended to permit the States to give special preference in road construction to "materials and products indigenous" to the region. The 1965 act provision appears to restrict the special preference to mineral resource materials.

This change is recommended in view of the fact that items other than mineral resources indigenous to the area are acceptable in road construction work. For example, recent developments have made the use of hardwood posts practicable for guard rail construction. In addition, the committee wishes to make it quite clear that local sand and gravel are not the kinds of indigenous resources whose use the Committee intended to encourage in including the provision in the Act.

Subsection (e) of section 201 of the act is amended to direct the Secretary to foster bona fide research and development in the use of coal and coal products by requiring each participating State, to use coal derivatives to the maximum extent feasible in the construction of not to exceed 10 percent of the roads authorized under section 201.

Testimony received by the committee indicates that this section as originally drawn was viewed as permissive and not mandatory and that the States have done little to carry out the intent of Congress. This is disappointing, since the committee believes that adherence to the requirements of this subsection holds the prospect for long-term improvements in road construction techniques and materials.

Subsection (f) of section 201 of the act transfers to the Commission itself the authority to increase the Federal matching ratio from 50 percent up to a maximum of 70 percent. The original language of this section permitted the Commission to recommend and placed in the Secretary the authority to approve such an increase.

Subsection (g) of section 201 of the act authorizes $715 million for construction of development highways and local access roads for the 4-year period ending June 30, 1971; $300 million was appropriated for such purposes for the period ending June 30, 1967. This bill increases the total highway authorization from $840 million to $1.015 billion; an increase of $175 million; $140 million of this $175 million is to assist in the construction of the Appalachian Highway corridor in New York and the New York-Pennsylvania connection; $35 million is for the Federal share of the cost of the additional 1,000 miles of local access roads provided for in this legislation.

The bill, as reported, includes a new subsection (h) which permits the Appalachian States to construct development highway projects which meet Commission criteria with their own funds, under Federal-aid procedures, with the opportunity for reimbursement as additional funds are appropriated by the Congress. No commitment or obligation on the part of the United States is intended by this advance construction authorization and such advance construction by a State may not be used to increase the mileage or the total amount of authorized funds allocated by the Commission to the State.

Section 106. Demonstration health projects

This section amends section 202 of the act, to authorize an additional $70 million for the demonstration health program.

The amendment broadens section 202 to authorize the use of funds for the acquisition of private facilities needed to provide an integrated system of health services; for the support of the Commission's Advisory Health Committee; and to authorize grants up to 75 percent for the planning and evaluation of projects. The use of operating funds will no longer be limited to projects constructed with the assistance of section 202 funds. Operating funds could be used for an existing

hospital or any other health facility which is a component of a demonstration health project, including a component facility constructed under title I of the Public Works and Economic Development Act. Also, the separate authorizations for construction and operations in the act are replaced by a comprehensive authorization which may be used as needed to carry out the purposes of this section

Construction or equipment may be funded either entirely from section 202 grants up to 80 percent of the cost, or from a combination of 202 grants and grants from other programs such as the Hill-Burton, the mental retardation facilities, and the community mental health programs, and will be made in accordance with the applicable provisions of such acts. Federal contributions to operating costs will be charged against individual components of a demonstration project and the 5-year limit in the act will begin, for each facility or service on the first day that the facility or service is in operation as a part of the project. Thus, some units in a given demonstration project could receive grants at 100 percent, while other elements were being assisted at 50 percent or were no longer eligible for contributions.

The changes in section 202 stem from the findings of the Health Committee. The amendments make explicit what was implicit in the 1965 act: that funds may be used in the provision of comprehensive health services for the training of personnel, for initial operating funds for the centers, for operating deficits, including the cost of attracting, training and retraining medical personnel, and for construction and equipment.

Section 107. Land stabilization, conservation, and erosion control

This section amends section 203 of the act, to authorize $19 million for the Appalachian land stabilization program for the 2-fiscal-year period ending June 30, 1969.

Section 108. Timber development organizations

This section amends section 204 of the act by adding a new subsection (b), authorizing the Secretary of Agriculture to provide technical assistance, make grants, enter into contracts or otherwise provide funds from appropriations under this act to forest products research institutions in the region or other appropriate public and private organizations, for Appalachian hardwood products research, studies and demonstrations.

The $4 million authorized for section 204 for fiscal year 1968 and 1969 are to be devoted to the new timber products research activity; $900,000 of the $1 million appropriated for fiscal year 1966 for "Timber development organizations" provided for in subsection (a) of section 204 of the act still remains unspent and will remain available until expended.

Testimony before this committee in 1964 and in 1965 concerning the greater utilization of the region's timber resources also included recommendations for additional research and demonstrations into hardwood products, utilization, and processing technology.

In order to carry out this research, $1.225 million was included in a supplemental appropriation to the Forest Service. These funds were used entirely to support work at various Forest Service research laboratories concerned with hardwood utilization and technology.

In testimony this year, representatives of the forest products industries in the region again emphasized the need for additional and

continuing research on hardwood utilization, products, markets, and processing technology, and in particular, the need for support of such research in non-Federal institutions such as universities and appropriate private organizations.

The committee feels that accelerated efforts in Appalachian hardwood research offers a promising means through which the region's timber resources can contribute more effectively to the economic development of the region.

The committee expects the Commission to continue its close cooperation with the Department of Agriculture and the forest products industries. The Commission should establish an advisory committee, to include, among others, representative of non-Federal scientific, technical and industrial resources to assist in the development of this research program.

Section 109. Mining area restoration

This section amends section 205 of the act, relating to mining area restoration, to authorize an additional $39,150,000 for this program. The amendment permits restoration project costs to include reasonable costs of planning, engineering, and land acquisition. The program for sealing and filling voids in abandoned coal mines is broadened to include abandoned oil and gas wells, and the strip and surface mine reclamation program is broadened to authorize the reclamation of areas covered with waste from mining activities.

The Committee expects the Secretary to take full advantage of new developments in reclamation technology in carrying out this section.

The same criteria that apply to mine fire, strip mine, and subsistence projects approved by the Commission under this section would apply to projects for the restoration of abandoned oil and gas wells. This authority is recommended by New York State which has important State park lands that are of little or no use because of the pollution and physical dangers to campers arising from the abandoned wells.

Reclamation project expenditures can include reasonable costs necessary to make the reclaimed land usable for activities that can significantly contribute to economic development.

The reclamation of strip and surface mine areas has not proceeded at a satisfactory pace. The act provides that only publicly owned lands may be reclaimed under the program and little of the land in Appalachia scarred by strip mining is in public ownership. The report of the Secretary of the Interior indicated that only 4 percent of the strip mine acreage in the region is owned by public bodies and few of the Appalachian States or their units of local government have the capacity to acquire such land for reclamation. It is therefore recommended that the Federal Government participate in reasonable land acquisition and planning and engineering costs.

The committee expects that this additional authority together with action resulting from the Report of the Secretary of the Interior will broaden the use of the program throughout the region.

In June of 1966, the Secretary of the Interior submitted to the Commission an interim report on strip and surface mining in Appalachia. This report indicates 800,000 acres of land in the region which have been disturbed by surface mining and estimates that the cost of reclaiming this land would be $250 million.

It is anticipated that the national study will be completed and submitted to the Congress by June 30, 1967; that report will probably include proposals for regulation that will minimize future destruction of land by strip mining. The committee is aware of the trend to strong State legislation for the control of strip mining. Pennsylvania passed such a control act in 1963, Kentucky and Virginia in 1966, and West Virginia in 1967. Until a national program is set, however, the committee believes that no lands which were mined after March 9, 1965, the date of the Appalachian Regional Development Act of 1965, should be reclaimed with Federal moneys.

Recommendations for Federal legislation to control strip mining and to engage in strip mined land reclamation were made to the committee during its hearings. The committee believes that action on them at this time would be premature in light of the reports which are either pending as a result of the 1965 act or will be authorized by this legislation.

The committee wishes to make it absolutely clear that none of the changes which it has recommended are designed or intended to remove the restriction contained in subsection (d) of section 205 relating to use of funds authorized under that section on privately owned lands.

Section 110. Water resource survey

This section amends section 206 of the act, providing for a water resources survey of the region to authorize $2 million for the 2-fiscal-year period ending June 30, 1969.

While funds are authorized through the end of the fiscal year 1969, the study called for by section 206 of the act is due to be submitted to the Congress no later than December 31, 1968. Testimony received by the committee from those responsible for this important report clearly indicates that it will be submitted by that date.

Section 111. Assistance for planning and other preliminary expenses of proposed housing projects under section 221 of the National Housing Act

This section adds a new section, section 207, to title II of the act.

The Congress has enacted programs to make adequate low-cost housing available throughout the country. The public housing program has been used extensively in the Appalachian region. The more critical need for new housing is to accommodate families who have incomes which disqualify them for public housing or to whom, for geographical reasons, public housing is not available. To help meet this need, Congress enacted section 221 of the National Housing Act which authorizes the Federal Housing Administration to insure mortgages for low- and moderate-income housing projects.

For all practical purposes the section 221 program has not been used in Appalachia. Of 40,000 housing units which have been constructed with the aid of this program, only 603 are in the Appalachian region. Thus, Appalachia with 8.5 percent of the Nation's population, has been the beneficiary of only 1.5 percent of the section 221 housing constructed in the country.

The Appalachian Commission found that there are two primary reasons for the failure of 221 programs in the region; the acute shortage of capital needed by nonprofit organizations to prepare their applications at FHA and FNMA, and the shortage of technical and managerial competence to initiate and manage housing projects.

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Section 207 would be added to the Appalachian Regional Development Act of 1965, to meet these problems in those areas of the Appalachian region determined by the Commission to have significant potential for future growth.

The Secretary of Housing and Urban Development is authorized to make loans up to 80 percent of the preliminary costs of planning a project and obtaining an insured mortgage under section 221 of the National Housing Act. Such costs as preliminary surveys and analyses of market needs, preliminary site engineering and architectural fees, site options, FHA and FNMA fees, and construction loan fees and discounts would be included.

Loans may be made without interest, or at any market or at below market interest rate authorized for a mortgage insured under section 221. In most cases these costs are recaptured by local sponsors when a construction loan, insured by FHA, is made. When such financing is obtained by the local sponsor, the advances made under the program will be repaid to a revolving fund administered by the Secretary. The Secretary can waive the repayment of all or any part of a loan which he finds the borrower is unable to recover from the proceeds of a mortgage insured under section 221.

Section 207 also authorizes technical assistance grants for up to 80 percent of the administrative expenses, not recoverable under a section 221 insured mortgage, which are incurred incident to planning a project and obtaining an insured mortgage, such as the preparation of applications to FHA and FNMA, coordination, and management activities.

The bill as reported authorizes $5 million for this purpose. It is contemplated that 80 percent of the funds expended will be returned to the revolving fund from the proceeds of mortgages insured under section 221, and will be available to finance additional projects.

Testimony on the need for housing assistance was received from a number of private witnesses. One group, the International Self-Help Housing Associates, a nonprofit organization was particularly impressive. They stand ready to render the technical and managerial assistance needed to initiate housing projects. The committee urges the Commission to avail itself of the assistance of this group and others like it in making section 207 a working reality.

This section is one of those to which reference was made earlier in the comments concerning the need to broaden the horizons of the program so that the hopes and aspirations of the people of Appalachia are more adequately served. This housing assistance program, which seeks to stimulate local effort, should help uncover and develop more local leadership and initiative.

Section 112. Vocational education

This section amends section 211 of the act, which authorizes grants for the construction of vocational education facilities by providing that section 211 funds are available for equipping existing and new facilities as well as for construction. Eighteen million dollars is authorized to carry out the program for the 2-fiscal-year period ending June 30, 1969.

Section 113. Sewage treatment works

This section amends section 212 of the act, providing assistance for sewage treatment works, to authorize $6 million for the 2-fiscal-year period ending June 30, 1969.

No substantive changes are recommended by the committee.

Section 114. Section 701 of the Housing Act of 1954

This section amends section 701 of the Housing Act of 1954 to make local development districts, certified to the Commission by the Governors of the States in which they are located, eligible for 75-percent grants for comprehensive planning in their areas and for planning Appalachian region programs.

Grants would be made to local development districts certified under section 301 of the act. While in most sections of the region, local development districts are just coming into existence, it is believed that many of the planning functions, now discharged by a number of levels of government, can be concentrated in such multicounty units. The proposed amendment is designed to make this possible as local development districts are organized.

No funds are needed under this act to carry out the purposes of this section.

Section 115. Supplements to Federal grant-in-aid programs.

This section amends section 214 of the act, providing a supplemental grant program, to authorize an additional $97 million for the 2-fiscal-year period ending June 30, 1969. The amendment permits supplemental grants to be applied to Federal grant-in-aid programs involving the construction or equipment of facilities, or the acquisition of land enacted before and after the Appalachian Regional Development Act of 1965, including programs which may be enacted in the future.

Funds appropriated for this section, as amended by S. 602, would be provided by the President to the Federal Cochairmen to carry on the purposes of this section. Originally such funds were disbursed by the Secretary of Commerce.

For fiscal year 1968 the State agencies which program grant-in-aid funds in the six major program areas: libraries, vocational education, higher education, sewage treatment, hospitals, and airports, estimate that about $500 million worth of projects could be in the application stage in fiscal year 1968. On the basis of budget requests from Federal agencies, it is anticipated that only about $334 million worth of projects in these categories could be funded with fiscal 1968 allotments (see accompanying table). These allotments are based on the assumption that the Appalachian portion of each State would receive Federal grant-in-aid from these funds relative to its population.

If each one of these programs utilizes section 214 funds at the level of past experience, about $70 million of 214 funds would be needed in fiscal year 1968. However, not all Federal grant-in-aid projects in the region will require 214 supplementation. If, as in the past, about two-thirds of these projects require 214 supplementation, about $45 million (or $90 million for 2 fiscal years) in section 214 funds can be effectively utilized.

This estimate is based on the composition of the region as defined by the 1965 act. In order to provide for the 18-county area of Mississippi added to the region by S. 602, the committee recommends

an authorization of $97 million for supplemental grants for fiscal years 1968 and 1969.

Estimate of sec. 214 projects, fiscal 1968

Program type	Total cost	Basic Federal	Past 214 percent	214 funds
Libraries	$7,629,883	$4,577,930	27.3	$2,082,958
Vocational education	16,851,132	8,425,566	25.1	4,229,634
Higher education	131,659,748	43,882,194	18.8	24,752,033
Sewage treatment	63,173,363	18,952,009	26.0	16,425,074
Hospitals	75,583,758	41,571,067	17.7	13,378,325
Airports	15,460,000	7,730,000	22.3	3,447,580
Other	23,360,270	9,419,046	21.1	4,929,017
Total	333,718,154	134,557,812		69,244,621

Section 116. Cultural programs

This section adds a new provision to the act, Section 215: Cultural Programs, which authorizes the appropriation of $500,000 to enable the Chairman of the National Endowment for the Arts to make supplemental grants to the States to support new and existing programs and projects in the arts, in accordance with the applicable provisions of the National Foundation on the Arts and Humanities Act.

The language comes as a result of the committee's belief that the Appalachian program must represent more than physical facilities if Appalachia is to attract the kind of business, educational, social, and religious leadership it needs to make it a viable part of our Nation. There must be available in the community of Appalachia intellectual and artistic stimulation to sustain the quality of leadership the region requires.

Activities of the kind envisioned under the National Foundation of the Arts and Humanities Act are also vital to the development of local leadership since it will directly involve the people of the region in broadening their own outlook and scope of activity.

The committee urges the Commission to consider creating an advisory committee including, among others, interested persons from Appalachia to assist in developing this program.

Section 117. Maintenance of effort

This amendment of section 221 of the act, concerning State maintenance of effort, is technical in nature. It is designed to make it clear that a State's expenditures in connection with the construction of Interstate System highways and the expenditure of local funds are not to be considered in determining compliance with this section.

Section 118. Program implementation

This section amends section 223 of the act to redefine the responsibilities of the Commission and the Federal departments and agencies. The amendment provides that, with respect to applying Appalachian Act program criteria, which include such matters as the evaluation of growth potential, financial need, and the importance of a program or project and its contribution to the permanent improvement of the area in which it is located and the region, the Commission's judgment shall be final and not subject to further review by the Federal departments and agencies. The technical evaluation of projects and the actual accomplishment of programs and projects continues to be the responsibility of the Federal departments and agencies.

This section represents one of the major departures from the 1965 act. The committee emphasizes that program and project implementation shall remain in the line agencies—the Commission is not to become an operating agency by reason of this proposed change.

As stated earlier in the report the Commission's operation and experience to date amply demonstrate its ability to make final program and project decisions once the involved Federal agency or agencies has reviewed a proposal. This amendment is necessary to foster and facilitate the smooth and efficient prosecution of the program. It affirms the belief of Congress that State governments are capable of deciding what programs are most needed to meet the problems faced by the people of their area.

Section 119. Program development criteria

This section amends section 224 of the act to conform to the redefined role of the Commission and to make it clear that no financial assistance under the act may be used to assist establishments relocating from one area to another.

Section 120. Grants for administrative expenses of local development districts are for research and demonstration projects.

This section amends subsection (a) of section 302 of the act to transfer from the Secretary of Commerce to the Commission authority for making grants for administrative expenses of local development districts and to provide funds for investigations, research studies, technical assistance, and demonstration projects and for training programs.

This language retains the restriction contained in the 1965 act relating to technical assistance grants that they shall not be used for construction purposes.

Ten million dollars is authorized to carry out the purposes of subsection (a). The committee anticipates that an increasingly larger portion of the authorized funds will be used to support development districts as the major elements of the research program are completed and more local development districts are created within the States.

A new subsection (b) is recommended by the committee. This provision calls for the development of a comprehensive action program to attack the problem of acid pollution in the rivers and streams of the region.

Widespread water pollution by acid drainage from underground and surface mines is a major problem in six Appalachian States. Acid pollution causes deterioration of water quality, increases costs to water users, prevents water uses of existing large publicly owned reservoirs, such as Tygarts Dam and Reservoir (W. Va.) and Loyalhanna Dam and Reservoir (Pa.), destroys and impairs fish and other waterlife, and impairs the esthetic and social value of the streams.

Current work concerning the control and abatement of acid mine pollution is being conducted by Federal and State agencies, and by private organizations. Federal agency work includes demonstration projects for mine sealing and prevention of acid formation, monitoring of water quality in streams for identification of pollution, and along with States and private organizations, research concerning technological aspects of acid formation and treatment of polluted water. Related work, such as the study of the impact of surface mining, being conducted by the Secretary of the Interior as directed by the Appala-

chian Regional Development Act of 1965, identifies mine acid pollution as one of the most significant adverse impacts of mining.

The committee feels that the information and findings of the above work provide a partial basis for developing a comprehensive program for the appropriate control, reduction, or elimination of acid mine pollution in the region. The bill provides for the development of such a program by the Commission, in cooperation with the Secretary of Interior and other appropriate Federal and State agencies.

The bill requires the Commission to submit a report, including specific recommendations for an appropriate program and the policies under which it should be conducted, to the President for transmittal to the Congress, together with his recommendations, not later than March 31, 1969.

The authorization of $13 million for section 302 for the 2 fiscal years ending June 30, 1969, provides that not to exceed $3 million shall be available for the development of the acid mine pollution control action program.

The committee amendment is identical in purpose and similar in language to that proposed by Senator Joseph Clark of Pennsylvania.

Once the reports of the Secretary of the Interior on strip and surface mining and land reclamation, and the Corps of Engineers on water resources of the region and this action program on water pollution have been filed with the Congress, this committee can undertake the development of a meaningful program to combat the physical evils created by uncontrolled mine pollution and flooding in the region.

This amendment is another response to the testimony received by the committee emphasizing the need to improve the quality of life in Appalachia.

Section 121. Project approval

This section amends section 303 of the act to clarify the language of that section with respect to the procedures and responsibilities for processing and evaluation applications for assistance under the act. Applications must be submitted through the appropriate State member of the Commission and evaluated by him. Only those applications which are approved by a State member as meeting the requirement of the act and submitted by him to the Commission may receive Commission approval.

Section 122. Authorization of appropriation

This section amends section 401 of the act, to authorize appropriations to the President, of not to exceed $273,650,000, for the 2-fiscal-year period ending June 30, 1969, to be available until expended to carry out the respective provisions of the act, excepting sections 105 and 201 which provide their own authorizations.

It is expected that the funds received by the President will be transferred to the Federal Cochairman for disposition in accordance with the provisions of this act.

The committee has adopted this approach to facilitate a consolidated approach to the appropriation process. The committee believes that the President will rely on the Federal Cochairmen to carry out the effort to secure the appropriations authorized by this legislation.

Such a delegation would put an end to the fragmented presentation of Appalachian money requests that have characterized past appropriation procedures relating to this program.

Section 123. Definition of Appalachian region

This section amends section 403 of the act to add specified counties of Alabama, Mississippi, and New York to the region. As reported by the committee, the bill would add two counties in Alabama, Lamar and Pickens; 18 counties in Mississippi, Alcorn, Chickasaw, Choctaw, Clay, Itawamba, Kemper, Lee, Lowndes, Monroe, Noxubee, Oktibbeha, Pontotoc, Prentiss, Tippah, Tishomingo, Union, Webster, and Winston; and 14 counties in New York, Allegany, Broome, Cattaraugus, Chautauqua, Chemung, Chenango, Cortland, Delaware, Otsego, Schoharie, Schuyler, Steuben, Tioga, and Tompkins. Of these counties, 13 were made a part of the region as a result of the Kennedy-Javits amendment to the 1965 act. Schoharie County would be added at this time.

MISSISSIPPI

Almost the entire State of Mississippi shares the conditions of deprivation, unemployment, educational lag, health needs, public facility shortages, and lack of access which are characteristic of the entire Appalachian region.

Population growth in the State of Mississippi in the decade of the fifties was entirely offset by net outmigration of 434,000 persons. This parallels the regional experience for the same period, where a net outmigration of over 2 million persons kept population growth down to 1.1 percent.

Per capita income for Mississippi in 1960 was $966 and over 50 percent of the families in the State had incomes under $3,000, while for the region the corresponding figures were $1,405 and slightly over 30 percent of the families.

Education levels in the Mississippi adult population are lower than those of the region and of the United States. Over 18 percent of the adult population has completed less than 5 years of schooling and only 29.8 percent has completed 12 or more years of schooling. The corresponding figures are 11.6 percent and 32.3 percent for the region, and 8.4 percent and 41.1 percent for the United States, respectively.

Employment in Mississippi underwent the same drastic shifts during 1950–60 as the region. As shown in table 1, there was a shift of far greater proportion than that of the United States out of the extractive industries (agriculture and mining) and an increase in the percentage employed in manufacturing and service industries. However, the ability of the region's, as well as Mississippi's, economy to make opportunities available for those workers released from agricultural and mining employment has been inadequate. This resulted in a decrease of the total number of employed: —1.5 percent for the region, and —4.8 percent for Mississippi, as shown in table 2. This decrease would have been much higher if the high level of net outmigration had not occurred.

TABLE 1.—*Distribution of employment, 1950 and 1960*

	1950			1960		
	Appalachian regiou	Mississippi	United States	Appalachian region	Mississippi	United States
Agriculture	14.1	42.1	12.4	6.8	20.9	6.7
Mining	9.2	.5	1.6	3.9	.7	1.0
Construction	5.4	5.1	6.1	5.8	6.6	5.9
Manufacturing	27.8	12.6	26.0	32.2	19.2	27.1
Services	43.5	39.7	53.9	51.3	52.6	59.3

TABLE 2.—*Changes in employment, 1950–60*

	Appalachian region	Mississippi	Non-Appalachian United States
Agriculture	−52.5	−47.3	−35.6
Mining	−58.6	27.0	−1.0
Construction	5.7	23.0	10.8
Manufacturing	14.2	44.8	20.6
Services	16.3	26.3	28.1
Total	−1.5	−4.8	17.1

Source: Regional figures from PARC report.

Most of the Appalachian region, as presently defined, falls within the Piedmont, Blue Ridge, Appalachian Valley, and Appalachian Plateau provinces. In addition, portions of Alabama, Tennessee, and Kentucky fall within the province defined as "Interior Low Plateau." A portion of that province falls within extreme northeastern Mississippi, within the counties of Alcorn, Prentiss, Tishomingo, Itawamba, Monroe, Lowndes, and Noxabee. This area of Mississippi is identified as the "Fall Line Hills," a province which extends into and across Alabama. The Mississippi portion of the Fall Line Hills, and the adajacent lands of Appalachian Alabama, comprise the eastern half of the Tombigbee watershed. This area also shares common characteristics in forest vegetation with Appalachian Alabama, Georgia, Tennessee, and Kentucky. These counties, therefore, constitute a geographic area with direct physical ties to the rest of Appalachia.

Three communities adjoining the Fall Line Hills in the Tombigbee Valley provide many of the employment opportunities and trade services for the area. They are: Corinth (Alcorn County), Tupelo (Lee County), and Columbus (Lowndes County). The labor sheds for these three centers are practically identical with the boundaries of the Tombigbee watershed. This conclusion is based on commutation patterns developed from the 1960 census employment data. This area includes, in addition to the counties already mentioned, Tippah, Union, Pontotoc, Lee, Chickasaw, Clay, Webster, Oktibbeha, Choctaw, Winston, and Kemper Counties.

These 18 counties constitute the minimum area upon which a regional development program could be based in northeastern Mississippi. They coincide with the Tombigbee watershed in which a master watershed development organization is operating.

In addition, these 18 counties make up the Tombigbee River Water Management District and the Northeast Mississippi Resources Con-

servation and Development Project Area. As such they represent an organized economic planning area capable of taking full advantage of the Appalachian program.

ALABAMA

The bill as reported by the committee also provides for the addition of Lamar and Pickens Counties in Alabama. These counties share the same conditions of deprivation as the present Appalachian area of Alabama, and their addition to the region will preserve contiguity between the Appalachian counties of Alabama and Mississippi.

NEW YORK

The committee also recommends the inclusion of Schoharie County, N.Y., which is contiguous to the 13-county area of that State now included in the region. The accompanying tables fully describe the economic condition of the county and clearly indicate that it shares the characteristics of other counties already a part of the region.

Schoharie County versus Appalachia

	Schoharie County	Appalachia
Families with incomes below $3,000	27.9	7.11
Unemployment rate:		
Summer	8.3	5.2
Winter	13.0	
Per capita income	$1,459	$1,771
Rural farm population	24.4	9.1
Commuting labor force	18.4	8.8
Farm family level of living index	83	108
Income per member of labor force	3,942	$4,519

Statistical changes in Schoharie County

Year and population:

1900	26,854
1940	20,812
1950	22,703
1960	22,615

Year and number of farms:

1875	4,000
1960	1,100

Income levels of farms

	Number of farms	
	1954	1959
Gross sales:		
Over $10,000	234	383
$2,500 to $9,900	836	481
Part time	450	315

Labor force changes:
8,372 employed.
(−7.2 percent since 1950).

Social security receiving benefits:

1953	1,059
1963	3,200

Family income

	Schoharie County	Upstate New York
Median	$4,592	$6,629
Under $3,000 (percent)	27.9	12.6
Over $10,000 (percent)	7.8	21.2

NOTE.—Schoharie, highest county in New York State—"Under $3,000" and 3d lowest, "Over $10,000."

Schools

	Schoharie County	Upstate New York
School age population (percent)	+19.5	45
School costs (pupil)	$486	$526

Section 403 of the act is also amended by striking the language of the Kennedy-Javits amendment since it was executed when the Governor of New York and the Commission reached an agreement on the counties to be included in the region.

In order to protect the integrity of the region, to prevent it from being unduly expanded, and to prevent the dissipation of the limited funds which are available, the committee urges the adoption of the language reported as a part of section 123 of the bill which provides that no recommendation for any change in the definition of the region shall be proposed or considered without a prior request by the Congress for a study of such a change.

TITLE II—AMENDMENTS TO TITLE V, PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965 (PUBLIC LAW 89–136)

The Appalachian Commission is referred to as the prototype for regional commissions. The experience gained during the 2 years the program has been in operation has a direct bearing on the development of the regional commissions established pursuant to title V of the Public Works and Economic Development Act of 1965.

While the committee held no hearings on the amendments contained in title II of S. 602, information presented to the committee together with the testimony received on the Appalachian program form a basis for the amendments which the committee has reported. Also, testimony developed during hearings in 1965 on Public Law 89–136, support the amendments recommended by the committee.

The development of the other regional commissions, five in number, has been unreasonably slow. Much of this delay is the result of the failure to make funds available for administrative expenses and technical assistance. Section 202 of the bill seeks to remedy that situation by adding at the end of section 505(c) language which requires the Secretary of Commerce to allocate to each of the commissions, funds available for technical assistance and research. Section 505(c), as it was enacted in 1965, authorized an annual appropriation of $15 million for technical assistance and research and administrative expenses. The committee recommends that not to exceed $2.5 million of these funds be allocated each year to each regional commis-

sion to carry out the purposes of section 505. This will insure to each commission the funds it needs to function properly.

This report graphically demonstrates the value of supplemental assistance for Federal grant-in-aid programs. This portion of the Appalachian program has been an outstanding success. The committee is aware of no reason why a similar program cannot be instituted for the other regional commissions at this time. The committee, therefore, recommends a program similar to that contained in section 214 of the Appalachian Act which would authorize funds to each of the commissions to supplement Federal grants-in-aid programs. The committee language authorizes $5 million for fiscal year 1968 and $10 million for fiscal year 1969 for each of the commissions.

It is expected that these funds will be applied in the same manner as they have been applied under the Appalachian Act. Funds are authorized to the Secretary to be available, upon the specific recommendation of the Federal cochairmen of the various commissions for programs and projects approved by the commissions. These programs and projects will be submitted to the responsible Federal agencies for implementation and shall be compatible with the laws applicable to the programs they seek to supplement. The regional commissions involved must approve each program or project in accordance with the criteria in section 504 of the Public Works and Economic Development Act. The commission determination of applicability shall be controlling. All programs and projects for such supplements shall be based on a long-range comprehensive economic plan which is required by the amendment to section 503 contained in section 201 of S. 602.

Funds so authorized may be used to increase the Federal share up to 80 percent of any covered program. To further insure that the States will be preeminent in deciding what projects shall be undertaken, all applications for such supplements must come through the State members of the commissions.

The committee believes that a significant factor in the Appalachian Regional Commission's successful administration of its supplemental program has been the requirement that "public investment made in the region * * * shall be concentrated where there is a significant potential for future growth and where the expected return on public dollars invested will be the greatest." The committee intends the same standard to apply in this program. Pending the completion of the required comprehensive economic plan for each region, the Secretary may provide supplementary funds if he finds that sufficient progress has been made in their development.

It is the committee's earnest hope that the amendment to section 505(c) and the addition of the supplement for grants-in-aid will enable the commissions, which have been established in the Ozarks, Upper Great Lakes, New England, Coastal Plains, and Four Corners Regions, to more adequately meet the needs of the people of those regions, and that they will achieve a meaningful level of operations within the near future.

The purpose of these amendments is to reaffirm the congressional intent that cooperative State-Federal programs be established in these regions, in addition to the Appalachian Region, so that the benefits of this kind of program may be realized in other areas of regional underdevelopment. The committee looks to the commissions as the means of stimulating their economic rebirth.

OTHER PROVISIONS OF S. 602 AS ORIGINALLY INTRODUCED, BUT NOT INCLUDED IN ITS BILL AS REPORTED

Two sections of S. 602, as introduced, were deleted by the committee:

One would have added a new section 109 entitled, "Commission Employee Benefits". The section would have provided certain Federal benefits for non-Federal commission employees entering Federal service and would have extended Federal Employees Compensation Act coverage to commission employees. The section was deleted at the request of the Civil Service Commission and the matters raised by that proposal should be considered by the Committee on Post Office and Civil Service.

The other proposal which was dropped dealt with the Elementary and Secondary Education Act of 1965 pursuant to which grants would have been made to the Commission for education planning and research. This proposal is contained in legislation now pending before the Labor and Public Welfare Committee and is supported by the Commissioner on Education as well as by the Appalachian Regional Commission. The letter from the Commissioner on Education to the Federal Cochairman of the Appalachian Regional Commission follows:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
OFFICE OF EDUCATION,
Washington, D.C., February 16, 1967.

Mr. JOHN L. SWEENEY,
The Appalachian Regional Commission,
Washington, D.C.

DEAR MR. SWEENEY: I have your letter of January 25 informing me of the provisions which have been proposed in your legislation making it possible for the Appalachian Regional Commission to receive funds under titles III and V of the Elementary and Secondary Education Act. I have purposely delayed responding to your letter until this date since I was very interested in having some of our staff talk with members of your staff concerning the entire problem and also to get a better fix on the provisions of one particular piece of legislation which is being proposed by us.

On February 10, Dr. Albert L. Alford, and others of our staff, met with members of your staff for the purpose of discussing the matters referred to above. The consensus of this group discussion is essentially as follows:

1. The Appalachian Commission would withdraw the proposed language to amend titles III and V of the Elementary and Secondary Education Act.

2. The authority provided in the proposed amendment being sent up by HEW for title V of ESEA is sufficiently broad in scope to include the Commission as an eligible grantee. Also, the magnitude of the anticipated appropriation for this title V amendment would be sufficiently great to encompass the financial need for the Commission beginning in fiscal year 1968 less the amount the Department of Commerce could make available for the operations of the Educational Advisory Committee, but not to exceed $200,000 per year.

3. It is anticipated that it would be well into the second quarter of fiscal year 1968 before the amendment to title V and its

appropriation would become available to OE. Projects would be received, acted upon and the approved ones funded as soon thereafter as possible.

4. Through the hearing process in the Congress, we would use the possibility of funding a project with the Appalachian Commission to help justify the need for the authority in the title V amendment and build a legislative history which would assure participation by the Commission.

5. The Office of Education is in sympathy with and supports the need for regional educational planning.

6. It is our understanding that the work of the Commission expires on June 30, 1971.

We hope this arrangement will be satisfactory and will result in meeting our mutual needs in a satisfactory manner. If we can be of further assistance or if additional possibilities occur to you, please feel free to let me know.

Sincerely yours,

HAROLD HOWE II,
U.S. Commissioner of Education.

COMMITTEE RECOMMENDATIONS

The committee recommends enactment of S. 602, as amended. It believes that the legislation is a vital necessity to maintain the effort being made to solve the difficult problems of the Appalachian region. The broad-scale attack begun with the enactment of the Appalachian Regional Development Act of 1965, Public Law 89–4 must be continued if we are to bring that region into a condition of economic parity with the rest of the Nation.

The amendment to title V of the Public Works and Economic Development Act of 1965 are equally necessary if the regional commissions established under that act, Public Law 89–136, are to bring renewed economic vitality to the other economically deprived regions of the United States.

The committee believes that the program presented under the reported bill is a sound and well balanced one, which takes full advantage of the experience gained by the Appalachian Regional Commission during the past 2 years.

SUPPLEMENTAL VIEWS OF MR. COOPER

The Appalachian Regional Development Act has been in effect for a little over 2 years. I introduced, with Senator Randolph and others, that bill and the earlier bill passed by the Senate in 1964, following the 1964 report of the Commission appointed by President Kennedy, and the initiative and work for years of the Governors of the Central Appalachian States, including Kentucky.

During these 2 years the Appalachian program has proved itself. It is already bringing new opportunities and hope to the people of the region. And I must say it appears to be a happy exception among the new programs of recent years, for it has not created conflicts in administration, jurisdiction, or priorities. On the contrary, it has achieved cooperation, developed priorities, and fixed responsibility.

This has been accomplished, I believe, through principles which have been talked about often, but in this case applied: local initiative; State responsibility; and the application of new priorities—in this case, regional planning—through Federal assistance programs already established.

That the Appalachian program was well conceived and has been well executed to date, is shown I think by its wide acceptance and broad support. Our committee received no testimony in opposition to the 2-year extension of the nonhighway portions of the Appalachian Regional Development Act of 1965—which is the primary purpose of S. 602—and I am glad that it was recommended to the Senate unanimously, with the support of both majority and minority members.

I am concerned about the proposals to extend the boundaries of the Appalachian area—even though I recognize that these proposals flow from the success of the program and enthusiasm for it. In the committee I opposed any enlargement of the Appalachian region, and voted against each proposal to extend the Appalachian area as now defined by statute. In doing so, I want to make clear that I did not attempt to judge the relative merit of these proposals, or to deny a priori their claim to become a part of Appalachia. I did so because I believe that if areas are designated as "Appalachia" before firm criteria for inclusion in the region have been established, it will weaken the concept of an Appalachian program for States and counties having similar characteristics—such as isolation within rugged terrain—which have caused their development to be retarded. No such criteria have been established in the Congress.

President Kennedy, President Johnson, the Congress, and the Nation have recognized the deep-rooted and persistent problems of the region which justified designing a particular program to help meet its unique need. I consider that the Congress, with the support of the people of the country, has been sympathetic and generous in providing that program for the Appalachian region. But its continual enlargement could eventually destroy this support in the Congress.

The great thing about the Appalachian regional development program has been its demonstration of what can be accomplished by

relying on State responsibility in carrying out Federal assistance programs. We are all concerned about overlapping programs, duplication, waste, and confusion of priorities. But the Appalachian concept has shown that, when the States are given responsibility and the authority for ordering priorities, existing Federal assistance programs can be utilized more effectively, and can be better directed to the diverse needs of the States.

Many members of the committee, and I am sure of the Congress, believe the Appalachian example offers great hope for the application of these principles to other regions and other programs. But if enlargement of the area without criteria—and the appeals for further enlargement sure to follow—cause this particular region to fail, it will tarnish the bright opportunity we have to build on this State-Federal experience in other regions and in other programs.

It was for this reason that I offered in committee section 123(b) of the bill, at the top of page 54. Further, it is my understanding that it is the sense of the committee, in which the chairman concurs and which I support, that additional proposals to enlarge the Appalachian region will not be entertained, either by the Commission or by our committee, unless and until specific criteria for better defining the Appalachian area, in both physiographic and economic terms, are developed, heard, and adopted.

Similarly, I moved to add subsection (f) of new section 509 of the Public Works and Economic Development Act appearing at the end of the bill, as companion language to that added by the committee in subsection (a). These sections make clear that in the regions now getting underway, applications for assistance shall initiate in the States, with State responsibility for their first approval, and that the regional commissions shall have true responsibility and authority.

I consider the bill reported by our committee a good bill—helpful but moderate in its reach, forward looking but practical in approach. I support it, as I have the concept from its very beginnings in Kentucky and West Virginia, and am glad to work for its early adoption by the Senate.

JOHN SHERMAN COOPER.

SUPPLEMENTAL VIEWS OF MR. GEORGE MURPHY

In 1965 when the Appalachian Regional Development Act was before the Congress, I opposed the measure. Obviously, this was not because of my lack of concern, either for the region, or its people. Having been a coal miner in Cambria County, Pa., I am well acquainted with both the region and the people. My opposition was based rather on serious reservations which I harbored regarding the legislation.

First, I felt that undue emphasis was given to roadbuilding rather than training individuals and providing them with permanent employment, and I seriously questioned whether such emphasis would stimulate the economic development which we all hoped would result in Appalachia.

Second, I felt that the Appalachian Regional Development Act would be the "foot in the door" and that we would see the mushrooming of other similar regions across the country, a mushrooming before we actually had time to test this regional developmental concept. Not only has this happened, but also we have witnessed the Appalachia region itself expanding both northward and southward. As my colleagues will recall, a floor amendment in 1965 added 13 New York counties. The Public Works Committee in this bill has added another New York county and 18 counties of the State of Mississippi. Efforts will undoubtedly be made on the floor to further expand the Appalachia area. To the credit of the committee, an amendment was added to the legislation that would hereafter require that no recommendation for any change in the definition of the Appalachian region shall be proposed or considered by the Commission without a prior request by the Congress for a study of such change. It is my hope that Congress will require that a compelling case be made before further including additional areas. Otherwise, we may see the Appalachia program extending from Maine to Florida.

I also am concerned that we are not building into this and other Federal programs procedures for evaluation. While the developing of means for the measuring of the success of the program will not be easy, we must, and our responsibility to the American taxpayer demands, that such tools of the evaluation be devised. Recent developments in research including the use of computers and systems analysis can provide us with the answers to questions such as whether the Appalachian program is producing economic growth and a reduction in poverty in the area. We also need to know whether we are properly allocating the authorized funds for the Appalachian program. For example, is it wise to emphasize the roadbuilding as is presently the case, or should we give more emphasis to the development of human resources? These are difficult and complex questions, but they must be answered.

In all fairness to the Appalachian Commission, a timber management consultant was employed for a study of the timber development organizations authorized under section 204. The conclusion of this

study was that such timber development organizations were not feasible. Objective evaluations of other sections of the program are needed. The Appalachian program is testing new concepts. We need to know its successes and its failures.

Finally, I must say that the testimony before our committee was favorable toward the Appalachia program. Governors from both parties of the participating States strongly supported the legislation. I am particularly encouraged with the co-operative spirit that seems to prevail between the States and the Federal Government. The Appalachian Commission, and this is refreshing, recognizes the importance of the States. In short, all the parties seem to be pulling together to make the legislation work. The States have been partners in fact, not in form. The attitude of the former Federal Chairman, Mr. John Sweeney, undoubtedly has contributed to the cooperative spirit that exists and, although the Federal cochairman possesses a veto, he wisely refrained from using it. I am hopeful that Mr. Sweeney's successor, Mr. Joe Fleming, will see to it that this co-operative spirit continues.

If the Appalachian approach proves to be successful, it will in no small part be due to the recognition of the importance of the States. Mr. Sweeney's testimony before the Subcommittee on Economic Development should be required reading for all Federal administrators.

GEORGE MURPHY.

APPENDIXES

APPENDIX I

Digest of State Plans

ALABAMA

Alabama Plan has three objectives: (1) to improve the income levels and living standard in the area; (2) to increase the region's ability to compete in economic activities; and (3) to provide new employment opportunities, improved incomes, and better economic and social conditions. Alabama has identified five areas of primary growth potential. These include the major urban areas of Florence, Tuscaloosa, Birmingham, Anniston, Gadsden, and Huntsville-Decatur.

The Florence urban area is experiencing substantial population growth with increases in employment dependent on the aluminum industry. Public facilities, the area's major deficiencies, concern water pollution and control.

Tuscaloosa has but one expanding urban population center which dominates the growth area. The major deficiency in this area is the lack of secondary centers to complement the City of Tuscaloosa in serving the population. Similar situations were noted for the Birmingham area. Public facilities appear overly concentrated in the City of Birmingham to the detriment of the outlying areas.

The economy of the Decatur-Huntsville area is dominated by defense and space activities. The plan notes an urgent need to develop a more diversified economy by taking advantage of the favorable locational advantages of the area.

GEORGIA

Georgia has selected five categories of areas in which it will locate its Appalachian investments during 1966: Standard metropolitan statistical areas, major urban areas, the Dalton-Calhoun transportation and development corridor, several small urban clusters, and several small regional service centers. Georgia will evaluate its public facility projects according to program and location objectives.

Primary emphasis will be placed on the establishment of educational facilities and secondary emphasis on water quality and quantity control facilities and health facilities.

KENTUCKY

Kentucky has established development priorities and policies, to make its labor force more competitive and to create more viable centers of economic activity than currently exist.

Eastern Kentucky's problems stem from isolation, educational deficiencies, a lack of modern urban services, and an undiversified job market dependent on mining.

Kentucky will develop key towns or clusters of towns into more viable communities for serving the population of the area. The plan envisions that urban service areas may develop from existing single towns or clusters of towns. It has been assumed that most of these areas will be located on the principal Appalachian development corridors.

MARYLAND

Maryland notes that its Appalachian counties have developed individual economic dependencies on areas in the surrounding States. The plan notes, however, that the completion of Maryland's Appalachian Highway Corridor will promote closer ties between these counties and the metropolitan markets to the east and to the west.

The plan notes that Washington County's geographic position is a natural gateway to the Appalachian region and because of its proximity to Washington and Baltimore, has a special advantage for the development of market-oriented industry. Its principal city, Hagerstown, is located at the junction of four major highways and possesses a substantial industrial base. This city is seen as the major focus for future development in the county, although recreation activities also appear promising.

Growth in Allegany County focuses on Cumberland. The county's economy rests basically upon manufacturing, with railroad transportation, retail sales and distribution also important.

The other Maryland county, Garrett, is mountainous and heavily forested and possesses no major urban centers. Here transportation development will play a major role in creating opportunities for development of tourist-oriented business and recreation.

NEW YORK

The New York plan identifies seven primary and six secondary growth centers in the State's 13-county region. New York identifies these centers according to six growth potential factors: A population of at least 35,000 including an urban place of 10,000 or more population; a concentration of manufacturing and commercial development; adequate transportation facilities; population growth between 1950 and 1960; and continued growth and/or development since 1960.

The secondary growth centers are assumed to be smaller urban complexes which do not meet the criteria for primary growth centers, but nevertheless have a potential for growth. Usually, a secondary center is located in the hinterland of one or more primary growth centers. The plan points out that it should not be inferred that all efforts will be concentrated to serve primary growth centers.

"Where barriers to the growth and development of secondary growth centers can be effectively dealt with through the use of Appalachian funds, it is certainly desirable that such action be taken" the plan states.

NORTH CAROLINA

The 1966 North Carolina plan proposes the grouping of 29 counties into seven economic development commissions. Among the criteria

used to select commission boundaries were local attitudes, travel time between population centers, economic and social conditions and governmental considerations.

The plan's emphasis on the establishment of development commissions rests on the recognized need to develop local leadership that can work effectively and in full participation with government officials and representatives of private enterprise.

North Carolina notes that Western North Carolina's economic situation, although far healthier than in other parts of Appalachia, has been affected by long-term isolation and heavy reliance upon agriculture. It notes that North Carolina Appalachia does not possess a diversified industrial base; suffers severe fluctuations in employment; suffers from out-migration of many high school graduates and has a scarcity of industrial labor.

OHIO

Ohio is planning its Appalachian development within a broader State planning program. The State has determined that its major problems are inaccessibility, misuse of natural resources, education and retraining and community facilities. The plan also describes the State's overall efforts in planning, the area's problems, methods for the selection of growth areas, and project review procedures.

PENNSYLVANIA

Pennsylvania's State plan designates 19 counties as primary growth centers. They are Washington, Westmoreland, Somerset, Beaver, Butler, Allegheny, Mercer, Lawrence, Erie, Crawford, Warren, Cambria, Blair, Center, Lycoming, Perry, Lackawanna, Luzerne, and Monroe.

The plan is based on the proposition that Pennsylvania's Appalachian counties have been hindered in their efforts to promote economic development by the outmoded skills of a labor force that has worked in the previously dominant steel, coal, and railroad industries. The plan notes a need for higher levels of educational attainment and assigns top priorities to those projects dealing with basic education, vocational and technical training and retraining; and higher educational facilities.

SOUTH CAROLINA

South Carolina's strategy is to locate public facilities along a 10-mile wide corridor centering on Interstate Route 83 and along U.S. 123 west of Greenville. This strategy evolves from an analysis of the six-county Appalachian area which reveals this corridor to be an urban belt in which most of the growth and population of Appalachia South Carolina is most likely to be concentrated in the future.

The plan indicates that despite the apparent well being of the area's economy, the region is experiencing substantial population out-migration and that the bulk of migration is occurring among the most productive age groups. It also reveals that two-thirds of the labor force is unskilled and that the area has a very low wage scale in key industries.

The plan proposes the following efforts to strengthen the economy of the area:

(1) An effort to upgrade the skills of the labor force. This is to be accomplished initially by concentrating investments on vocational and technical schools located near Greenville, Spartanburg and Anderson.

(2) Intensification of the existing industrial development program with emphasis on research and analysis directed to the selection of industries which may be attracted by a re-trained labor force.

(3) The scheduling of other public facility investments needed to provide a desirable setting for new industries. Among these investments would be projects in the areas of education, health, transportation, water pollution control, and recreation.

TENNESSEE

The Tennessee plan consists of two parts: A rationale and mathematical model for allocating resources among sub-regions and communities within sub-regions, and a procedure which allocates funds among types of projects.

The Tennessee plan identifies five sub-regions and assigns each its share of allocated funds according to relative growth potential. The five sub-regions are identified as: the Tri-Cities area, Knoxville, Chattanooga, Upper Cumberland and Lower Cumberland. Within these sub-regions, 55 urban centers are ranked according to their individual growth potential. This ranking provides guidelines by means of which Tennessee may determine the appropriate share of Appalachian funds a project in each area may receive.

The Knoxville Region, to which the allocation model assigns 30.3 percent of Appalachian funds, is dominated by the Knoxville metropolitan area. This area contains 15 counties, all but four of which lie within the Great Tennessee Valley. The industrial structure is diversified and offers numerous advantages for development for further economic growth. Principal among the advantages of the area are the transportation arteries and the water resources which are located in close proximity to industrial sites.

The Chattanooga Region receives 23.5 percent of Appalachian funds. Most of the ten counties of the region are Great Valley in nature and are sharing in the Valley's general prosperity.

The Tri-Cities Region is ranked third in terms of growth potential, receiving 20.2 percent of available funds. The eight-county region, located in the northwestern part of the State, gets its name from the fact that its economy is focused on the Tri-City complex of Johnson City, Bristol, and Kingsport. With the exception of two mountainous counties, this region is also sharing in the growth of Tennessee Valley.

The Upper Cumberland Region is composed of 11 counties and has a population of approximately 150,000 people. This region has the physical characteristics of the Cumberland plateau and its economy is considered relatively undeveloped. Several key urban centers hold potential for development as regional service centers, and if developed in combination with programs for conservation and recreation could lead to more extensive economic development.

The Lower Cumberland Region will receive 12 percent. Most of the development and population growth of this region is likely to occur

in Coffee and Warren Counties, both of which are in a position to take maximum advantage of the main transportation routes passing through the region.

VIRGINIA

The Virginia State investment plan centers on development of a seven-county area in the southwest corner of the State. The State recognizes that this area is an important laborshed for the growing "industrialized valley" between Roanoke and Bristol. The seven counties include Buchanan, Dickinson, Lee, Russell, Scott, Tazewell and Wise.

WEST VIRGINIA

West Virginia will develop a fully integrated transportation system, recreational areas, educational facilities and systems, urban community and housing programs, health facilities, and public health facilities.

The plan delineates nine economic sub-regions which are homogeneous with respect to their economic problems and potentials. The plan describes the subregions' topography, population, transportation, manufacturing activity, recreational areas and major public facilities. These factors are used to distinguish three types of investment areas: supplemental, developmental, and complementary.

Supplemental investment areas have one or more economic activities that have shown signs of sustained growth over a period of time that could be reinforced to create additional economic growth.

Development investment areas are those not as highly developed in terms of economic base or structure, and have not been able to reach their full economic growth potential. Development strategy for these areas will be to pinpoint investments, either private or public, which will carry their development forward.

Complementary investment areas are those in which economic activity is highly localized. West Virginia's strategy is to support only investments in these areas which have a clearly identifiable relationship to specific new development opportunities.

APPENDIX II

Appalachian development highway system program funding

	Allocation of authorized dollars	Allocation of appropriated dollars	ARC funds obligated (Dec. 31, 1966)					
			Total	Percent of authorized allocation	Percent of appropriated allocation	Preliminary engineering	Right of-way	Construction
Georgia	$17,538,000	$9,437,398	$3,010,407	17.1	31.8	$158,200	$2,852,207	0
Kentucky	183,911,000	60,023,497	30,519,588	16.5	50.8	1,808,672	3,211,646	$25,498,270
Maryland	46,459,000	9,866,951	5,974,090	12.8	60.5	3,839,710	615,580	1,518,800
New York	25,000,000	22,700,000	9,242,890	36.9	40.7	0	0	9,242,840
North Carolina	47,873,000	12,250,991	8,356,743	17.4	68.2	1,859,330	2,022,345	4,475,068
Ohio	55,318,000	35,996,058	4,845,827	8.7	13.4	1,213,415	985,100	2,645,412
Pennsylvania	81,595,000	33,753,953	10,382,050	12.7	30.7	112,700	934,111	9,335,200
Tennessee	51,421,000	19,857,297	7,076,072	13.7	35.6	2,292,819	321,846	4,461,407
Virginia	40,689,000	38,818,992	23,693,505	58.2	61.0	21,000	6,979,932	16,692,573
West Virginia	253,088,000	39,086,836	12,529,058	4.9	32.0	3,550,519	840,169	8,138,320
Bureau of Public Roads	2,108							
Total	805,000,000	281,792,000	115,630,230	14.3	41.0	14,856,365	18,764,875	82,008,990

ARC developmental highway program: Total miles underway and type of activity Dec. 31, 1966 [1]

	In preliminary engineering [2]	In right-of-way	In construction	
Georgia	89.300	14.600	0	
Kentucky	204.747	75.452	61.383	
Maryland	129.910	3.380	6.426	
New York	0	0	6.609	
North Carolina	160.710	31.449	17.210	
Ohio	277.800	8.975	4.135	
Pensylvania	2.310	14.690	9.669	
Tennessee	395.391	18.002	16.430	
Virginia	N.R.	87.023	46.430	
West Virginia	217.420	5.500	12.474	
Total	1,477.588	259.071	180.766	

[1] Mileage includes duplications for various phases of work.
[2] Engineering includes route location studies, cost estimate, and design.

ARC—Access roads—Status of funding, Dec. 31, 1966

	Allocation of appropriation	ARC funding approved (Nov. 17, 1966)	Obligated funds (Dec. 31, 1966)				
			Total	Percent of allocated dollars	Preliminary engineering	Right-of-way	Construction
Alabama	$6,195,000	$6,195,000	$4,795,840	77.4	$172,550	$88,340	$4,534,950
Georgia	662,602	543,300	144,305	26.5	7,070	0	137,235
Kentucky	814,503	4,900	336,149	41.2	713	13,000	322,436
Maryland	372,102	27,417	0	0	0	0	0
New York	346,947	0	0	0	0	0	0
North Carolina	749,009	148,400	420	0	420	0	0
Ohio	803,915	630,000	333,267	41.4	0	0	333,267
Pennsylvania	2,246,047	495,467	0	0	0	0	0
South Carolina	2,555,000	2,555,000	0	0	0	0	0
Tennessee	1,007,703	1,008,000	22,260	2.2	22,260	0	0
Virginia	581,008	525,000	0	0	0	0	0
West Virginia	1,166,164	542,500	117,950	10.1	0	0	117,950
Total	17,500,000	13,014,984	5,750,191		203,013	101,340	5,445,838

ARC—Access road mileage (for funds obligated), Dec. 31, 1966 [1]

State	In preliminary engineering [2]	In right-of-way	In construction	
Alabama	123,491	12,390	59,561	
Georgia	6.100	0	2.500	
Kentucky	.600	.300	.433	
Maryland	0	0	0	
New York	0	0	0	
North Carolina	.200	0	0	
Ohio	0	0	3.861	
Pennsylvania	0	0	0	
Tennessee	26.460	0	0	
Virginia	0	0	0	
West Virginia	0	0	1.685	
South Carolina	0	0	0	
Total	156.851	12,690	68.040	

[1] Mileage includes duplication for various phases of work.
[2] Engineering includes route location studies, cost estimates, and design.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

AN ACT To provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Appalachian Regional Development Act of 1965".

FINDINGS AND STATEMENT OF PURPOSE

SEC. 2. The Congress hereby finds and declares that the Appalachian region of the United States, while abundant in natural resources and rich in potential, lags behind the rest of the Nation in its economic growth and that its people have not shared properly in the Nation's prosperity. The region's uneven past development, with its historical reliance on a few basic industries and a marginal agriculture, has failed to provide the economic base that is a vital prerequisite for vigorous, self-sustaining growth. The State and local governments and the people of the region understand their problems and have been working and will continue to work purposefully toward their solution. The Congress recognizes the comprehensive report of the President's Appalachian Regional Commission documenting these findings and concludes that regionwide development is feasible, desirable, and urgently needed. It is, therefore, the purpose of this Act to assist the region in meeting its special problems, to promote its economic development, and to establish a framework for joint Federal and State efforts toward providing the basic facilities essential to its growth and attacking its common problems and meeting its common needs on a coordinated and concerted regional basis. The public investments made in the region under this Act shall be concentrated in areas where there is a significant potential for future growth, and where the expected return on public dollars invested will be the greatest. The States will be responsible for recommending local and State projects, within their borders, which will receive assistance under this Act. As the region obtains the needed physical and transportation facilities and develops its human resources, the Congress expects that the region will generate a diversified industry, and that the region will then be able to support itself, through the workings of a strengthened free enterprise economy.

TITLE I—THE APPALACHIAN REGIONAL COMMISSION

MEMBERSHIP AND VOTING

SEC. 101. (a) There is hereby established an Appalachian Regional Commission (hereinafter referred to as the "Commission") which shall be composed of one Federal member, hereinafter referred to as the "Federal Cochairman", appointed by the President by and with the advice and consent of the Senate, and one member from each participating State in the Appalachian region. The Federal Cochairman shall be one of the two Cochairmen of the Commission. Each State member may be the Governor, or his designee, or such other person as may be provided by the law of the State which he represents. The State members of the Commission shall elect a Cochairman of the Commission from among their number.

(b) Except as provided in section 105, decisions by the Commission shall require the affirmative vote of the Federal Cochairman and of a majority of the State members (exclusive of members representing States delinquent under section 105). In matters coming before the Commission, the Federal Cochairman shall, to the extent practicable, consult with the Federal departments and agencies having an interest in the subject matter.

(c) Each State member shall have an alternate, appointed by the Governor or as otherwise may be provided by the law of the State which he represents. The President, by and with the advice and consent of the Senate, shall appoint an alternate for the Federal Cochairman. An alternate shall vote in the event of the absence, death, disability, removal, or resignation of the State or Federal representative for which he is an alternate.

(d) The Federal Cochairman shall be compensated by the Federal Government at level IV of the Federal Executive Salary Schedule of the Federal Executive Salary Act of 1964. His alternate shall be compensated by the Federal Government at not to exceed the maximum scheduled rate for grade GS–18 of the Classification Act of 1949, as amended, and when not actively serving as an alternate for the Federal Cochairman shall perform such functions and duties as are delegated to him by the Federal Cochairman. Each State member and his alternate shall be compensated by the State which they represent at the rate established by the law of such State.

FUNCTIONS OF THE COMMISSION

SEC. 102. In carrying out the purposes of this Act, the Commission shall—

(1) develop, on a continuing basis, comprehensive and coordinated plans and programs and establish priorities thereunder, giving due consideration to other Federal, State, and local planning in the region;

(2) conduct and sponsor investigations, research, and studies, including an inventory and analysis of the resources of the region, and, in cooperation with Federal, State, and local agencies, sponsor demonstration projects designed to foster regional productivity and growth;

(3) review and study, in cooperation with the agency involved, Federal, State, and local public and private programs and, where

appropriate, recommend modifications or additions which will increase their effectiveness in the region;

(4) formulate and recommend, where appropriate, interstate compacts and other forms of interstate cooperation, and work with State and local agencies in developing appropriate model legislation;

(5) encourage the formation of local development districts;

(6) encourage private investment in industrial, commercial, and recreational projects;

(7) serve as a focal point and coordinating unit for Appalachian programs; *and*

(8) provide a forum for consideration of problems of the region and proposed solutions and establish and utilize, as appropriate, citizens and special advisory councils and public conferences[; and].

[(9) advise the Secretary of Commerce on applications for grants for administrative expenses to local development districts.]

RECOMMENDATIONS

SEC. 103. The Commission may, from time to time, make recommendations to the President and to the State Governors and appropriate local officials with respect to—

(1) the expenditure of funds by Federal, State, and local departments and agencies in the region in the fields of natural resources, agriculture, education, training, health and welfare, and other fields related to the purposes of this Act; and

(2) such additional Federal, State, and local legislation or administrative actions as the Commission deems necessary to further the purposes of this Act.

LIAISON BETWEEN FEDERAL GOVERNMENT AND THE COMMISSION

SEC. 104. The President shall provide effective and continuing liaison between the Federal Government and the Commission and a coordinated review within the Federal Government of the plans and recommendations submitted by the Commission pursuant to sections 102 and 103.

ADMINISTRATIVE EXPENSES OF THE COMMISSION

[SEC. 105. (a) For the period ending on June 30 of the second full Federal fiscal year following the date of enactment of this Act, the administrative expenses of the Commission shall be paid by the Federal Government. Thereafter, such expenses shall be paid equally by the Federal Government and the States in the region. The share to be paid by each State shall be determined by the Commission. The Federal Cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

[(b) Not to exceed $2,200,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.]

SEC. 105. (a) For the period ending on June 30, 1967, the administrative expenses of the Commission shall be paid by the Federal Government. Thereafter, such expenses shall be paid 50 per centum by the Federal Government and 50 per centum by the States in the region, except that the expenses of the Federal Cochairman, his alternate, and his staff shall be paid solely by the Federal Government. The share to be paid by each State shall be determined by the Commission. The Federal Cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

(b) To carry out this section, there is hereby authorized to be appropriated to the Commission, to be available until expended, not to exceed $1,700,000 for the two-fiscal-year period ending June 30, 1969. Not to exceed $400,000 of such authorization shall be available for the expenses of the Federal Cochairman, his alternate, and his staff. Unexpended balances of appropriations under the authorization in this section prior to amendment by the Appalachian Regional Development Act Amendments of 1967 shall remain available for the purposes of this section, as amended, until expended.

ADMINISTRATIVE POWERS OF COMMISSION

SEC. 106. To carry out its duties under this Act, the Commission is authorized to—

(1) adopt, amend, and repeal bylaws, rules, and regulations governing the conduct of its business and the performance of its functions.

(2) appoint and fix the compensation of an executive director and such other personnel as may be necessary to enable the Commission to carry out its functions, except that such compensation shall not exceed the salary of the alternate to the Federal Cochairman on the Commission as provided in section 101. No member, alternate, officer, or employee of the Commission, other than the Federal Cochairman on the Commission, his staff, and his alternate and Federal employees detailed to the Commission under paragraph (3) shall be deemed a Federal employee for any purpose.

(3) request the head of any Federal department or agency (who is hereby so authorized) to detail to temporary duty with the Commission such personnel within his administrative jurisdiction as the Commission may need for carrying out its functions, each such detail to be without loss of seniority, pay, or other employee status.

(4) arrange for the services of personnel from any State or local government or any subdivision or agency thereof, or any intergovernmental agency.

(5) make arrangements, including contracts, with any participating State government for inclusion in a suitable retirement and employee benefit system of such of its personnel as may not be eligible for, or continue in, another governmental retirement or employee benefit system, or otherwise provide for such coverage

of its personnel. The Civil Service Commission of the United States is authorized to contract with the Commission for continued coverage of Commission employees, who at date of Commission employment are Federal employees, in the retirement program and other employee benefit programs of the Federal Government.

(6) accept, use, and dispose of gifts or donations of services or property, real, personal, or mixed, tangible or intangible.

[(7) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation.]

(7) enter into and perform such contracts, leases (including, notwithstanding any other provision of law, the lease of office space for any term expiring no later than June 30, 1971), cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States (which is hereby so authorized to the extent not otherwise prohibited by law) or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation.

(8) maintain a temporary office in the District of Columbia and establish a permanent office at such a central and appropriate location as it may select and field offices at such other places as it may deem appropriate.

(9) take such other actions and incur such other expenses as may be necessary or appropriate.

INFORMATION

SEC. 107. In order to obtain information needed to carry out its duties, the Commission shall—

(1) hold such hearings, sit and act at such times, and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute so much of its proceedings and reports thereon as it may deem advisable, a Cochairman of the Commission, or any member of the Commission designated by the Commission for the purpose, being hereby authorized to administer oaths when it is determined by the Commission that testimony shall be taken or evidence received under oath;

(2) arrange for the head of any Federal, State, or local department or agency (who is hereby so authorized to the extent not otherwise prohibited by law) to furnish to the Commission such information as may be available to or procurable by such department or agency; and

(3) keep accurate and complete records of its doings and transactions which shall be made available for public inspection, and for the purpose of audit and examination by the Comptroller General or his duly authorized representatives.

PERSONAL FINANCIAL INTERESTS

SEC. 108. (a) Except as permitted by subsection (b) hereof, no State member or alternate and no officer or employee of the Commission shall participate personally and substantially as member, alternate, officer, or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in any proceeding, application, request for a ruling or other determination, contract, claim controversy, or other particular matter in which, to his knowledge, he, his spouse, minor child, partner, organization (other than a State or political subdivision thereof) in which he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest. Any person who shall violate the provisions of this subsection shall be fined not more than $10,000 or imprisoned not more than two years, or both.

(b) Subsection (a) hereof shall not apply if the State member, alternate, officer, or employee first advises the Commission of the nature and circumstances of the proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter and makes full disclosure of the financial interest and receives in advance a written determination made by the Commission that the interest is not so substantial as to be deemed likely to affect the integrity of the services which the Commission may expect from such State member, alternate, officer, or employee.

(c) No State member or alternate shall receive any salary, or any contribution to or supplementation of salary for his services on the Commission from any source other than his State. No person detailed to serve the Commission under authority of paragraph (4) of section 106 shall receive any salary or any contribution to or supplementation of salary for his services on the Commission from any source other than the State, local, or intergovernmental department or agency from which he was detailed or from the Commission. Any person who shall violate the provisions of this subsection shall be fined not more than $5,000, or imprisoned not more than one year, or both.

(d) Notwithstanding any other subsection of this section, the Federal Cochairman and his alternate on the Commission and any Federal officers or employees detailed to duty with it pursuant to paragraph (3) of section 106 shall not be subject to any such subsection but shall remain subject to sections 202 through 209 of title 18, United States Code.

(e) The Commission may, in its discretion, declare void and rescind any contract, loan, or grant of or by the Commission in relation to which it finds that there has been a violation of subsection (a) or (c) of this section, or any of the provisions of sections 202 through 209, title 18, United States Code.

TITLE II—SPECIAL APPALACHIAN PROGRAMS

PART A—NEW PROGRAMS

APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

[SEC. 201. (a) The Secretary of Commerce (hereafter in this section referred to as the "Secretary") is authorized to assist in the construction of an Appalachian development highway system serving the Appalachian region (the length of which shall not exceed two thousand three hundred and fifty miles. In addition thereto, there are authorized to be constructed not in excess of one thousand miles of local access roads, that will serve specific recreational, residential, commercial, industrial, or other like facilities or will facilitate a school consolidation program). The system, in conjunction with the Interstate System and other Federal-aid highways in the region will provide a highway system which will open up an area or areas with a developmental potential where commerce and communication have been inhibited by lack of adequate access. The provisions of title 23, United States Code, that are applicable to Federal-aid primary highways, and which the Secretary determines are not inconsistent with this Act, shall apply to the Appalachian development highway system, and the local access roads.

[(b) As soon as feasible, the Commission shall submit to the Secretary its recommendations with respect to (1) the general corridor location and termini of the development highways, (2) the designation of local access roads to be constructed, (3) priorities for construction of the local access roads and of the major segments of the development highways, and (4) other criteria for the program authorized by this section. Before any State member participates in or votes on such recommendations, he shall have obtained the recommendations of the State highway department of the State which he represents.

[(c) The Secretary shall have authority to approve in whole or in part such recommendations or to require modifications or revisions thereof. In no event shall the Secretary approve any recommendations for any construction which would require for its completion the expenditure of Federal funds (other than funds available under title 23, United States Code) in excess of the appropriation authorizations in subsection (g). On its completion each development highway not already on the Federal-aid primary system shall be added to such system and shall be required to be maintained by the State.

[(d) In the construction of highways and roads authorized under this section, the States may give special preference to the use of mineral resource materials indigenous to the Appalachian region.

[(e) For the purposes of research and development in the use of coal and coal products in highway construction and maintenance, the Secretary is authorized to require each participating State, to the maximum extent possible, to use coal derivatives in the construction of not to exceed 10 per centum of the roads authorized under this Act.

[(f) Federal assistance to any construction project under this section shall not exceed 50 per centum of the costs of such project, unless the Secretary determines, pursuant to the recommendation of the Commission, that assistance in excess of such percentage is required in furtherance of the purposes of this Act, but in no event shall such Federal assistance exceed 70 per centum of such costs.

[(g) To carry out this section, there is hereby authorized to be appropriated $840,000,000.]

SEC. 201. (a) In order to provide a highway system which, in conjunction with the Interstate System and other Federal-aid highways in the Appalachian region, will open up an area or areas with a developmental potential where commerce and communication have been inhibited by lack of adequate access, the Secretary of Transportation (hereafter in this section referred to as the "Secretary") is authorized to assist in the construction of an Appalachian development highway system and local access roads serving the Appalachian region. The provisions of title 23, United States Code, that are applicable to the construction and maintenance of Federal-aid primary and secondary highways, and which the Secretary determines are not inconsistent with this Act, shall apply, respectively, to the development highway system and the local access roads. Construction on the development highway system shall not exceed two thousand seven hundred miles. Construction of local access roads shall not exceed two thousand miles that will serve specific recreational, residential, educational, commercial, industrial, or other like facilities or will facilitate a school consolidation program.

(b) The Commission shall transmit to the Secretary its designations of (1) the general corridor location and termini of the development highways, (2) local access roads to be constructed, (3) priorities for the construction of segments of the development highways, and (4) other criteria for the program authorized by this section. Before any State member participates in or votes on such designations, he shall have obtained the recommendations of the State highway department of the State which he represents.

(c) In no event shall the Secretary assist in any construction (including right-of-way acquisition) which would require for its completion the expenditure of Federal funds (other than funds available under title 23, United States Code) in excess of the appropriations authorization in subsection (g). On its completion each development highway not already on the Federal-aid primary system shall be added to such system and each development highway and local access road shall be required to be maintained by the State as provided for Federal-aid highways in title 23, United States Code.

(d) In the construction of highways and roads authorized under this section, the States may give special preference to the use of materials and products indigenous to the Appalachian region.

(e) For the purposes of research and development in the use of coal and coal products in highway construction and maintenance, the Secretary shall require each participating State, to the maximum extent possible, to use coal derivatives in the construction of not to exceed 10 per centum of the roads authorized under this Act.

(f) Federal assistance to any construction project under this section shall not exceed 50 per centum of the costs of such project, unless the Commission determines that assistance in excess of such percentage is required in furtherance of the purposes of this Act, but in no event shall such Federal assistance exceed 70 per centum of such costs.

(g) To carry out this section, there is hereby authorized to be appropriated to the President, to be available until expended, $715,000,000 for the four-fiscal-year period ending June 30, 1971. Unexpended balances of appropriations to the Secretary of Commerce under the authorization in this section prior to amendment by the Appalachian Regional Development Act Amendments of 1967 shall be treated as having been appropriated

to the President for the purposes of this section, as amended, and shall remain available until expended.

(h)(1) When a participating State proceeds to construct a segment of a development highway without the aid of Federal funds, in accordance with all procedures and requirements applicable to the construction of segments of Appalachian development highways with such funds, except insofar as such procedures and requirements limit a State to the construction of projects for which Federal funds have previously been appropriated, the Secretary, upon application by the State and after approval of the project by the Commission under section 223(2) of this Act, shall pay to the State the Federal share not to exceed 70 per centum of the costs of construction of such segment, from any sums appropriated to carry out this section.

(2) This subsection shall not be construed as a commitment or obligation on the part of the United States to provide funds for segments of development highways constructed under this subsection, and shall not increase the limitation on construction in subsection (c).

[DEMONSTRATION HEALTH FACILITIES

[SEC. 202. (a) In order to demonstrate the value of adequate health and medical facilities to the economic development of the region, the Secretary of Health, Education, and Welfare is authorized to make grants for the construction, equipment, and operation of multicounty demonstration health facilities, including hospitals, regional health diagnostic and treatment centers, and other facilities necessary to health. Grants for such construction (including initial equipment) shall be made in accordance with the applicable provisions of title VI of the Public Health Service Act (42 U.S.C. 291–291z) and the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), without regard to any provisions therein relating to appropriation authorization ceiling or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

[(b) No grant under this section for construction (including initial equipment) shall exceed 80 per centum of the cost of the project. Not to exceed $41,000,000 of the funds authorized in section 401 shall be available for construction grants under this section.

[(c) Grants under this section for operation (including equipment other than initial equipment) of a project may be made up to 100 per centum of the costs thereof for the two-year period beginning on the first day such project is in operation as a health facility. For the next three years of operations such grants shall not exceed 50 per centum of such costs. No grants for operation of a project shall be made after five years following the commencement of such operations. Not to exceed $28,000,000 of the funds authorized in section 401 of this Act shall be available for operating grants under this section.]

DEMONSTRATION HEALTH PROJECTS

SEC. 202. (a) In order to demonstrate the value of adequate health facilities and services to the economic development of the region, the

Secretary of Health, Education, and Welfare is authorized to make grants for the planning, construction, equipment, and operation of multicounty demonstration health projects, including hospitals, regional health diagnostic and treatment centers, and other facilities and services necessary to health. Grants for such construction (including the acquisition of facilities and initial equipment) shall be made in accordance with the applicable provisions of title VI of the Public Health Service Act (42 U.S.C. 291–291o), the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), and other laws authorizing grants for the construction of health-related facilities, without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

(b) No grant for the construction or equipment of any component of a demonstration health project shall exceed 80 per centum of such costs. The Federal contribution may be provided entirely from funds authorized under this section or in combination with funds provided under other Federal grant-in-aid programs for the construction or equipment of health-related facilities. Notwithstanding any provision of law limiting the Federal share in such other programs, funds authorized under this section may be used to increase Federal grants for component facilities of a demonstration health project to a maximum of 80 per centum of the costs of such facilities.

(c) Grants under this section for operation (including initial operating funds and operating deficits comprising among other items the costs of attracting, training, and retaining qualified personnel) of a demonstration health project, whether or not constructed with funds authorized by this section, may be made for up to 100 per centum of the costs thereof for the two-year period beginning, for each component facility or service assisted under any such operating grant, on the first day that such facility or service is in operation as a part of the project. For the next three years of operations such grants shall not exceed 50 per centum of such costs. No grants for operation of a demonstration health project shall be made after five years following the commencement of the initial grant for operation of the project. Notwithstanding section 104 of the Public Works and Economic Development Act of 1965 (79 Stat. 554), a health-related facility constructed under title I of that Act may be a component of a demonstration health project eligible for operating grant assistance under this section.

(d) The Secretary of Health, Education, and Welfare is authorized to provide funds to the Commission for the support of its Health Advisory Committee and to make grants for expenses of planning necessary for the development and operation of demonstration health projects for the region. The amount of any such grant shall not exceed 75 per centum of such expenses.

(e) Not to exceed $70,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section.

LAND STABILIZATION, CONSERVATION, AND EROSION CONTROL

SEC. 203. (a) In order to provide for the control and prevention of erosion and sediment damages in the Appalachian region and to promote the conservation and development of the soil and water resources of the region, the Secretary of Agriculture is authorized to enter into agreements of not more than ten years with landowners, operators, and occupiers, individually or collectively, in the Appalachian region determined by him to have control for the period of the agreement of the lands described therein, providing for land stabilization, erosion and sediment control, and reclamation through changes in land use, and conservation treatment including the establishment of practices and measures for the conservation and development of soil, water, woodland, wildlife, and recreation resources.

(b) The landowner, operator, or occupier shall furnish to the Secretary of Agriculture a conservation and development plan setting forth the appropriate and safe land uses and conservation treatment mutually agreed by the Secretary and the landowner, operator, or occupier to be needed on the lands for which the plan was prepared.

(c) Such plan shall be incorporated in an agreement under which the landowner, operator, or occupier shall agree with the Secretary of Agriculture to carry out the land uses and conservation treatment provided for in such plan on the lands described in the agreement in accordance with the terms and conditions thereof.

(d) In return for such agreement by the landowner, operator, or occupier the Secretary of Agriculture shall be authorized to furnish financial and other assistance to such landowner, operator, or occupier in such amounts and subject to such conditions as the Secretary determines are appropriate and in the public interest for the carrying out of the land uses and conservation treatment set forth in the agreement: *Provided*, That grants hereunder shall not exceed 80 per centum of the cost of carrying out such land uses and conservation treatment on fifty acres of land occupied by such owner, operator, or occupier.

(e) The Secretary of Agriculture may terminate any agreement with a landowner, operator, or occupier by mutual agreement if the Secretary determines that such termination would be in the public interest, and may agree to such modification of agreements previously entered into hereunder as he deems desirable to carry out the purposes of this section or to facilitate the practical administration of the program authorized herein.

(f) Notwithstanding any other provision of law, the Secretary of Agriculture, to the extent he deems it desirable to carry out the purposes of this section, may provide in any agreement hereunder for (1) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of such crop; or (2) surrender of any such history and allotments.

(g) The Secretary of Agriculture shall be authorized to issue such rules and regulations as he determines are necessary to carry out the provisions of this section.

(h) In carrying out the provisions of this section, the Secretary of Agriculture shall utilize the services of the Soil Conservation

Service, and the State and local committees provided for in section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590(b)), and is authorized to utilize the facilities, services, and authorities of the Commodity Credit Corporation. The Corporation shall not make any expenditures to carry out the provisions of this subsection unless funds specifically appropriated for such purpose have been transferred to it.

[(i) Not to exceed $17,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.]

(i) Not to exceed $19,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section.

TIMBER DEVELOPMENT ORGANIZATIONS

SEC. 204. (a) In order that the region shall more fully benefit from the timber stands that are one of its prime assets, the Secretary of Agriculture is authorized to—

(1) provide technical assistance in the organization and operation, under State law, of private timber development organizations having as their objective the carrying out of timber development programs to improve timber productivity and quality, and increase returns to landowners through establishment of private nonprofit corporations, which on a self-supporting basis may provide (A) continuity of management, good cutting practices, and marketing services, (B) physical consolidation of small holdings or administrative consolidation for efficient management under long-term agreement, (C) management of forest lands, donated to the timber development organizations for demonstrating good forest management, on a profitable and taxpaying basis, and (D) establishment of a permanent fund for perpetuation of the work of the corporations to be composed of donations, real or personal, for educational purposes.

(2) provide not more than one-half of the initial capital requirements of such timber development organizations through loans under the applicable provisions of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1926 et seq.). Such loans shall not be used for the construction or acquisition of facilities for manufacturing, processing, or marketing forest products, or for physical consolidation of small timber holdings authorized by (1)(B) above except for the establishment of demonstration units.

[(b) Not to exceed $5,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.]

(b) The Secretary of Agriculture is authorized to provide technical assistance, make grants, enter into contracts, or otherwise provide funds, to forest products research institutions in the region and other appropriate public and private organizations, for Appalachian hardwood products research, including investigations, studies, and demonstrations, which will further the purposes of this Act. Funds shall be provided only for programs and projects which will contribute significantly to the development of (1) Appalachian hardwood technology, (2) new or improved uses of Appalachian hardwood resources, (3) new or improved processes or methods for producing hardwood products, or (4) new or improved markets

for such products. Funds under this section shall be provided solely out of sums specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the allocation or distribution of funds pursuant to any other provision of law.

(c) Not to exceed $4,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out the purposes of subsection (b) of this section.

MINING AREA RESTORATION

SEC. 205. (a) In order to further the economic development of the region by rehabilitating areas presently damaged by deleterious mining practices, the Secretary of the Interior is authorized to—

[(1) make financial contributions to States in the region to seal and fill voids in abandoned coal mines, and to reclaim and rehabilitate existing strip and surface mine areas, in accordance with provisions of the Act of July 15, 1955 (30 U.S.C. 571 et seq.), to the extent applicable, without regard to section 2(b) thereof (30 U.S.C. 572(b)) or to any provisions therein limiting assistance to anthricite coal formation, or to the Commonwealth of Pennsylvania. Grants under this paragraph shall be made wholly out of funds specifically appropriated for the purposes of carrying out this Act.]

(1) make financial contributions to States in the region to seal and fill voids in abandoned coal mines and abandoned oil and gas wells, and to reclaim and rehabilitate lands affected by the strip and surface mining and processing of coal and other minerals, including lands affected by waste piles, in accordance with provisions of the Act of July 15, 1955 (30 U.S.C. 571 et seq.), to the extent applicable, without regard to section 2(b) thereof (30 U.S.C. 572(b)) or to any provisions therein limiting assistance to anthracite coal formation, or to the Commonwealth of Pennsylvania. Grants under this paragraph shall be made wholly out of funds specifically appropriated for the purposes of carrying out this Act.

(2) plan and execute projects for extinguishing underground and outcrop mine fires in the region in accordance with the provisions of the Act of August 31, 1954 (30 U.S.C. 551 et seq.), without regard to any provisions therein relating to annual appropriation authorization ceilings. Grants under this paragraph shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act.

(3) expand and accelerate fish and wildlife restoration projects in the region in accordance with the provisions of the Act of September 2, 1937 (16 U.S.C. 669 et seq.), and the Act of August 9, 1950 (16 U.S.C. 777 et seq.), without regard to any provisions therein relating to apportionments among the States and to limitations on the availability of funds. The expenses of projects under this paragraph shall be paid solely ouf of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the apportionments among the States pursuant to any other provisions of law.

(b) For the fiscal years [1966 and 1967] *1966, 1967, 1968, and 1969,* notwithstanding any other provision of law, the Federal share

of mining area restoration [projects] *projects, including reasonable planning, engineering and land acquisition costs*, carried out under subsection (a) of this section and conducted on lands other than federally owned lands shall not exceed 75 per centum of the total cost thereof.

(c) The Congress hereby declares its intent to provide for a study of a comprehensive, long-range program for the purpose of reclaiming and rehabilitating strip and surface mining areas in the United States. To this general end, the Secretary of the Interior shall, in full cooperation with the Secretary of Agriculture, the Tennessee Valley Authority, and other appropriate Federal, State, and local departments and agencies, and with the Commission, make a survey and study of strip and surface mining operations and their effects in the United States. The Secretary of the Interior shall submit to the President his recommendations for a long-range comprehensive program for reclamation and rehabilitation of strip and surface mining areas in the United States and for the policies under which the program should be conducted, and the President shall submit these to the Congress, together with his recommendations, not later than July 1, 1967. By July 1, 1966, the Secretary shall make an interim report to the Commission summarizing his findings to that date on those aspects of strip and surface mining operations in the region that are most urgently in need of attention. Such study and recommendations shall include, but not be limited to, a consideration of the following matters—

(1) the nature and extent of strip and surface mining operations in the United States and the conditions resulting therefrom;

(2) the ownership of the real property involved in strip and surface mining operations;

(3) the effectiveness of past action by States or local units of government to remedy the adverse effects of strip and surface mining operation by financial or regulatory measures, and requirements for appropriate State legislation, including adequate enforcement thereof, to provide for proper reclamation and rehabilitation of areas which may be strip and surface mined in the future;

(4) the public interest in and public benefits which may result from reclamation, rehabilitation, and appropriate development and use of areas subjected to strip and surface mining operations, including (A) economic development growth, (B) public recreation, (C) public health and safety, (D) water pollution, stream sedimentation, erosion control, and flood control, (E) highway programs, (F) fish and wildlife protection and restoration, (G) scenic values and (H) forestry and agriculture;

(5) the appropriate roles of Federal, State, and private interests in the reclamation and rehabilitation of strip and surface mining areas and the relative costs to be borne, by each, including specific consideration of (A) the extent, if any, to which strip and surface mine operators are unable to bear the cost of remedial action within the limits imposed by the economics of such mining activity, and (B) the extent to which the prospective value of lands and other natural resources, after remedial work has been completed, would be inadequate to justify the landowners doing the remedial work at their expense; and

(6) the objectives and the total overall costs of a program for accomplishing the reclamation and rehabilitation of existing strip

and surface mining areas in the United States, giving adequate consideration to (A) the economic benefits in relation to costs, (B) the prevention of future devastation of reclaimed and rehabilitated areas, (C) the avoidance of unwarranted financial gain to private owners of improved property, and (D) the types of aid required to accomplish such reclamation and rehabilitation.

(d) [Not to exceed $36,500,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.] *Not to exceed $39,150,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section.* No moneys authorized by this Act shall be expended for the purposes of reclaiming, improving, grading, seeding, or reforestation of strip-mined areas (except on lands owned by Federal, State, or local bodies of government) until authorized by law after completion of the study and report to the President as provided in subsection (c) of this section.

WATER RESOURCE SURVEY

SEC. 206. (a) The Secretary of the Army is hereby authorized and directed to prepare a comprehensive plan for the development and efficient utilization of the water and related resources of the Appalachain region, giving special attention to the need for an increase in the production of economic goods and services within the region as a means of expanding economic opportunities and thus enhancing the welfare of its people, which plan shall constitute an integral and harmonious component of the regional economic development program authorized by this Act.

(b) This plan may recommend measures for the control of floods, the regulation of the rivers to enhance their value as sources of water supply for industrial and municipal development, the generation of hydroelectric power, the prevention of water pollution by drainage from mines, the development and enhancement of the recreational potentials of the region, the improvement of the rivers for navigation where this would further industrial development at less cost than would the improvement of other modes of transportation, the conservation and efficient utilization of the land resource, and such other measures as may be found necessary to achieve the objectives of this section.

(c) To insure that the plan prepared by the Secretary of the Army shall constitute a harmonious component of the regional program, he shall consult with the Commission and the following: the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Health, Education, and Welfare, the Secretary of the Interior, the Tennessee Valley Authority, and the Federal Power Commission.

(d) The plan prepared pursuant to this section shall be submitted to the Commission. The Commission shall submit the plan to the President with a statement of its views, and the President shall submit the plan to the Congress with his recommendations not later than December 31, 1968.

(e) The Federal agencies referred to in subsection (c) of this section are hereby authorized to assist the Secretary of the Army in the preparation of the plan authorized by this section, and the Secretary of the Army is authorized to enter into and perform such contracts,

leases, cooperative agreements, or other transactions as may be necessary to the preparation of this plan and on such terms as he may deem appropriate, with any department, agency, or instrumentality of the United States or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation.

(f) The plan to be prepared by the Secretary of the Army pursuant to this section shall also be coordinated with all comprehensive river basin plans heretofore or hereafter developed by United States study commissions, interagency committees, or similar planning bodies, for those river systems draining the Appalachian region.

[(g) Not to exceed $5,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.]

(g) Not to exceed $2,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section.

ASSISTANCE FOR PLANNING AND OTHER PRELIMINARY EXPENSES OF PROPOSED HOUSING PROJECTS UNDER SECTION 221 OF THE NATIONAL HOUSING ACT

SEC. 207. (a) In order to encourage and facilitate the construction or rehabilitation of housing to meet the needs of low- and moderate-income families and individuals, the Secretary of Housing and Urban Development (hereafter in this section referred to as the "Secretary") is authorized to make grants and loans from the Appalachian Housing Fund established by this section, under such terms and conditions as he may prescribe, to nonprofit, limited dividend, or cooperative organizations, or to public bodies, for expenses of planning and of obtaining an insured mortgage for a housing construction or rehabilitation project, under section 221 of the National Housing Act (hereafter in this section referred to as "section 221"), in any area of the Appalachian region determined by the Commission to have significant potential for future growth.

(b) No grant under this section shall exceed 80 per centum of those administrative expenses, incident to planning a project and obtaining an insured mortgage under section 221, which the Secretary considers not to be recoverable from the proceeds of a mortgage insured under such section: Provided, That no grant shall be made to an organization established for profit.

(c) No loan under this section shall exceed 80 per centum of the cost of planning a project and obtaining an insured mortgage under section 221, including, but not limited to, preliminary surveys and analyses of market needs, preliminary site engineering and architectural fees, site options, Federal Housing Administration and Federal National Mortgage Association fees, and construction loan fees and discounts. Loans may be made without interest, or at any market or below market interest rate authorized for a mortgage insured under section 221: Provided, That any loan made to an organization established for profit shall bear interest at the prevailing market rate authorized for a mortgage insured under such section. The Secretary may, except in the case of a loan to an organization established for profit, waive the repayment of all or any part of a loan made under this section, including interest, which he finds the borrower is unable to recover from the proceeds of a mortgage insured under section 221.

(d) All funds allocated to the Secretary for the purposes of this section shall be deposited in a fund which shall be known as the Appalachian Housing Fund and shall be used as a revolving fund by the Secretary for carrying out such purposes. General expenses of administration of this section may be charged to the fund. Moneys in the fund not needed for current operation may be invested in bonds or other obligations guaranteed as to principal and interest by the United States.

(e) Not to exceed $5,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section.

Part B—Supplementations and Modifications of Existing Programs

VOCATIONAL EDUCATION FACILITIES

Sec. 211. (a) In order to provide basic facilities to give the people of the region the training and education they need to obtain employment, the Secretary of Health, Education, and Welfare is authorized to make grants for construction of the school facilities *and for the equipment of such facilities and other school facilities* needed for the provision of vocational education in areas of the region in which such education is not now adequately available. Such grants shall be made in accordance with the provisions of the Vocational Education Act of 1963 (77 Stat. 403), without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

[(b) Not to exceed $16,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.]

(b) Not to exceed $18,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section.

SEWAGE TREATMENT WORKS

Sec. 212. (a) In order to provide facilities to assist in the prevention of pollution of the region's streams and to protect the health and welfare of its citizens, the Secretary of Health, Education, and Welfare is authorized to make grants for the construction of sewage treatment works in accordance with the provisions of the Federal Water Pollution Control Act (33 U.S.C. 466 et seq.), without regard to any provisions therein relating to appropriations authorizations ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States pursuant to any other provision of law.

[(b) Not to exceed $6,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.]

(b) Not to exceed $6,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section.

AMENDMENTS TO HOUSING ACT OF 1954

SEC. 213. (a) (Amends section 701(a) of the Housing Act of 1954, which follows:)

§ 461. Urban planning.

(a) Grants by Administrator; authorization.

In order to assist State and local governments in solving planning problems resulting from the increasing concentration of population in metropolitan and other urban areas, including smaller communities; to facilitate comprehensive planning for urban development, including coordinated transportation systems, on a continuing basis by such governments; and to encourage such governments to establish and improve planning staffs, the Administrator is authorized to make planning grants to—

* * * * * * *

(7) to official governmental planning agencies for any area where there has occurred a substantial reduction in employment opportunities as the result of (A) the closing (in whole or in part) of a Federal installation, or (B) a decline in the volume of Government orders for the procurement of articles or materials produced or manufactured in such area;

(8) tribal planning councils or other tribal bodies designated by the Secretary of the Interior for planning for an Indian reservation to which no State planning agency or other agency or instrumentality is empowered to provide planning assistance under clause (D) of paragraph (1) above; [and]

[(9) the Appalachian Regional Commission, established by the Appalachian Regional Development Act of 1965, for comprehensive planning for the Appalachian region as defined by section 403 of such Act.]

(9) the Appalachian Regional Commission, for comprehensive planning for the Appalachian region as defined by section 403 of the Appalachian Regional Development Act of 1965; and

(10) local development districts, certified under section 301 of the Appalachian Regional Development Act of 1965, for comprehensive planning for their entire areas, or for metropolitan planning, urban planning, county planning, or small municipality planning within such areas in the Appalachian region, and for planning for Appalachian regional programs.

* * * * * * *

(b) (Amends section 701(b) of the Housing Act of 1954, which follows:)

(b) Maximum amount of grant; terms and conditions; advances or progress payments; appropriations.

A planning grant made under this section shall not exceed two-thirds of the estimated cost of the work for which the grant is made: *Provided*, That such a grant may be in an amount not exceeding three-fourths of such estimated cost to an official governmental planning agency for an area described in subsection (a)(7) of this section, or for planning being carried out for a city, other municipality, county, group of adjacent communities, or Indian reservation in an

area designated by the Secretary of Commerce as a redevelopment area under section 5 of the Area Redevelopment Act (or under any Act supplementary thereto), to States *and local development districts* participating in planning for Appalachian regional programs, for expenses incurred in the course of such planning, or to the Appalachian Regional Commission. All grants made under this section shall be subject to terms and conditions prescribed by the Administrator. No portion of any grant made under this section shall be used for the preparation of plans for specific public works. The Administrator is authorized, notwithstanding the provisions of section 529 of Title 31, to make advances or progress payments on account of any grant made under this section. There is authorized to be appropriated not exceeding $230,000,000 to carry out the purposes of this section, and any amounts so appropriated shall remain available until expended: *Provided*, That not to exceed 5 per centum of any funds so appropriated may be used by the Administrator for studies, research, and demonstration projects, undertaken independently or by contract, for the development and improvement of techniques and methods for comprehensive planning and for the advancement of the purposes of this section.

* * * * * * *

SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

[SEC. 214. (a) In order to enable the people, States, and local communities of the region, including local development districts, to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the Secretary of Commerce is authorized, pursuant to specific recommendations of the Commission approved by him and after consultation with the appropriate Federal officials, to allocate funds appropriated to carry out this section to the heads of the departments, agencies, and instrumentalities of the Federal Government responsible for the administration of such Federal grant-in-aid programs. Funds so allocated shall be used for the sole purpose of increasing the Federal contribution to projects under such programs above the fixed maximum portion of the cost of such project otherwise authorized by the applicable law. Funds shall be so allocated for Federal grant-in-aid programs for which funds are available under the Act authorizing such programs. Such allocations shall be available without regard to any appropriation authorization ceilings in such Act.

[(b) The Federal portion of such costs shall not be increased in excess of the percentages established by regulations promulgated by the Secretary of Commerce, and such regulations shall in no event authorize the Federal portion of such costs to exceed 80 per centum thereof.

[(c) The term "Federal grant-in-aid programs" as used in this section means those Federal grant-in-aid programs authorized by this Act for the construction or equipment of facilities, and all other Federal grant-in-aid programs authorized on or before the effective date of this Act by Acts other than this Act for the acquisition of land

and the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958. The term shall not include (A) the program for the construction of the development highway system authorized by section 201 of this Act or any other program relating to highway or road construction, or (B) any other program for which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act.

[(d) Not to exceed $90,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.]

SEC. 214. (a) In order to enable the people, States, and local communities of the region, including local development districts, to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the President is authorized to provide funds to the Federal Cochairman to be used for the sole purpose of increasing the Federal contribution to projects under Federal grant-in-aid programs, as hereafter defined, above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. Funds shall be so provided for Federal grant-in-aid programs for which funds are available under the Acts authorizing such programs and shall be available without regard to any appropriation authorization ceilings in such Acts.

(b) The Federal portion of such costs shall not be increased in excess of the percentages established by the Commission, and shall in no event exceed 80 per centum thereof.

(c) The term "Federal grant-in-aid programs" as used in this section means those Federal grant-in-aid programs authorized by this Act for the construction or equipment of facilities, and all other existing or future Federal grant-in-aid programs authoriaed by Acts other than this Act for the acquisition of land or the construction or equipment of facilities, including but not limited to grant-in aid-programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; and National Defense Education Act of 1958. The term shall not include (A) the program for the construction of the development highway system authorized by section 201 of this Act or any other program relating to highway or road construction, or (B) any other program for which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act.

(d) Not to exceed $97,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

CULTURAL PROGRAMS

SEC. 215. (a) In order to encourage the development of the cultural resources of the region, the Chairman of the National Endowment for the Arts is authorized to make grants to assist the member States of the Commission (1) in supporting existing programs and projects (including productions) in the region which meet the standards enumerated in section 5(c) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954; 79 Stat. 846); and (2) in developing programs and projects in the arts in such a manner as will serve all the people of the region. Such grants shall be made in accordance with the applicable provisions of section 5 of that Act, for programs and projects which are compatible with State plans approved pursuant to subsection (h) thereof, without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

(b) No grant shall be made to a State for a workshop production (other than a workshop conducted by a school, college, or university) for which a direct or indirect admission charge is asked if the proceeds, after deducting reasonable costs, are used for purposes other than assisting the recipient to develop high standards of artistic excellence or encourage greater appreciation of the arts and humanities by the people of the region.

(c) Not to exceed $500,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section.

PART C—GENERAL PROVISIONS

MAINTENANCE OF EFFORT

SEC. 221. No State and no political subdivision of such State shall be eligible to receive benefits under this Act unless the aggregate expenditures of State funds, [exclusive of Federal funds,] *exclusive of expenditures for participation in the National System of Interstate and Defense Highways, and exclusive of local funds and Federal funds,* for the benefit of the area within the State located in the region are maintained at a level which does not fall below the average level of such expenditures for its last two full fiscal years preceding the date of enactment of this Act. In computing the average level of expenditure for its last two fiscal years, a State's past expenditure for participation in the National System of Interstate and Defense Highways *and expenditures of local funds and Federal funds* shall not be included. The Commission shall recommend to the President or such Federal officer or officers as the President may designate, a lesser requirement when it finds that a substantial population decrease in that portion of a State which lies within the region would not justify a State expenditure equal to the average level of the last two years or when it finds that a State's average level of expenditure, with an individual program, has been disproportionate to the present need for that portion of the State which lies within the region.

CONSENT OF STATES

SEC. 222. Nothing contained in this Act shall be interpreted as requiring any State to engage in or accept any program under this Act without its consent.

PROGRAM IMPLEMENTATION

[SEC. 223. A program and projects authorized under any section of this title shall not be implemented until (1) the Commission has consulted with the appropriate official or officials concerned with such program and projects as may be designated by the Governor or Governors of the State or States involved and has obtained the recommendations of such official or officials with respect to such program and projects and (2) plans with respect to such program and projects have been recommended by the Commission and have been submitted to and approved or modified by the President or such Federal officer or officers as the President may designate.]

SEC. 223. No program or project authorized under any section of this title shall be implemented until (1) applications and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this Act, and (2) the Commission has approved such program or project and has determined that it meets the applicable criteria under section 224 and will contribute to the development of the region, which determination shall be controlling.

PROGRAM DEVELOPMENT CRITERIA

SEC. 224. (a) [In developing recommendations on the] *In considering* programs and projects to be given assistance under this Act, and in establishing [within those recommendations] a priority ranking on the requests for assistance presented to the Commission, the Commission shall follow procedures that will insure consideration of the following factors:

(1) the relationship of the project or class of projects to overall regional development including its location in an area determined by the State to have a significant potential for growth;

(2) the population and area to be served by the project or class of projects including the relative per capita income and the unemployment rates in the area;

(3) the relative financial resources available to the State or political subdivisions or instrumentalities thereof which seek to undertake the project;

(4) the importance of the project or class of projects in relation to other projects or classes of projects which may be in competition for the same funds;

(5) the prospects that the project for which assistance is sought will improve, on a continuing rather than a temporary basis, the opportunities for employment, the average level of income, or the economic and social development of the area served by the project.

(*b*) No financial assistance shall be authorized under this Act to be used (1) [in relocating any establishment or establishments from one area to another;] *to assist establishments relocating from one area*

to another; (2) to finance the cost of industrial plants, commercial facilities, machinery, working capital, or other industrial facilities or to enable plant subcontractors to undertake work theretofore performed in another area by other subcontractors or contractors; (3) to finance the cost of facilities for the generation, transmission, or distribution of electric energy; or (4) to finance the cost of facilities for the production, transmission, or distribution of gas (natural, manufactured, or mixed).

TITLE III—ADMINISTRATION

LOCAL DEVELOPMENT DISTRICTS—CERTIFICATION

SEC. 301. For the purposes of this Act, a "local development district" shall be an entity certified to the Commission either by the Governor of the State or States in which such entity is located, or by the State officer designated by the appropriate State law to make such certification, as having a charter or authority that includes the economic development of counties or parts of counties or other political subdivisions within the region. No entity shall be certified as a local development district for the purposes of this Act unless it is one of the following:

(1) a nonprofit incorporated body organized or chartered under the law of the State in which it is located;

(2) a nonprofit agency or instrumentality of a State or local government;

(3) a nonprofit agency or instrumentality created through an interstate compact; or

(4) a nonprofit association or combination of such bodies, agencies, and instrumentalities.

GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DEVELOPMENT DISTRICTS AND FOR RESEARCH AND DEMONSTRATION PROJECTS

[SEC. 302. (a) The Secretary of Commerce is authorized—

[(1) either directly or through arrangements with the Commission, to make grants for administrative expenses to local development districts. The amount of any such grant shall not exceed 75 per centum of such expenses in any one fiscal year. No grants for administrative expenses shall be made to a local development district for a period in excess of three years beginning on the date the initial grant is made to such development district. The local contributions for administrative expenses may be in cash or in kind, fairly evaluated, including but not limited to space, equipment, and services; and

[(2) either directly or through arrangements with appropriate public or private organizations (including the Commission), to provide funds for investigation, research, studies, and demonstration projects, but not for construction purposes, which will further the purposes of this Act.

[(b) Recipients of Federal assistance under the provisions of this section shall, in accordance with regulations to be promulgated by the Secretary of Commerce, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the Secretary of Commerce. The records of the recipient

shall be available for audit with respect to such grants by the Secretary of Commerce and the Comptroller General, or their duly authorized representatives.

[(c) Not to exceed $5,500,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.]

SEC. 302. (a) The President is authorized—

(1) to make grants to the Commission for administrative expenses, including technical services, of local development districts, but (A) the amount of any such grant shall not exceed 75 per centum of such expenses, (B) no grants for administrative expenses shall be made for a local development district for a period in excess of three years beginning on the date the initial grant is made for such development district, and (C) the local development district contributions for administrative expenses may be in cash or in kind, fairly evaluated, including but not limited to space, equipment, and services; and

(2) to make grants to the Commission for investigation, research, studies, technical assistance, and demonstration projects, and for training programs, but not for construction purposes, which will further the purposes of this Act.

(b) The Commission is authorized to make a survey and study of acid pollution in the region resulting from mining activities and the effects of such pollution, in full cooperation with the Secretary of the Interior and other appropriate Federal, State, and local departments and agencies, with the objective of developing a comprehensive action program for the appropriate control, reduction, or elimination of such pollution in the region or the effects of such pollution. The Commission shall submit to the President a report, including specific recommendations for such program and for the policies under which it should be conducted, and the President shall submit the report to the Congress, together with his recommendations, not later than March 31, 1969. The study shall, among other matters—

(1) Identify sources of acid mine pollution in the region and their type, area, ownership, and other characteristics; the relative contribution of each source; and the impact of each source on water quality in the streams affected.

(2) Identify present and potential water using and other activities which are affected by acid mine pollution in the region, or originating in the region, and the economic and social costs and effects attributable to such pollution.

(3) Identify known methods and costs for the control and abatement of acid mine pollution.

(4) Estimate economic and social benefits, public and private, that are likely to result from reducing to various levels acid mine pollution in the streams of the region and identify the types of beneficiaries and the relative distribution of the benefits to such beneficiaires.

(5) Consider the appropriate roles of Federal, State, and private interests in programs for the control, reduction, or elimination of acid mine pollution in the region and the relative costs which each should bear, including specifically (A) the extent, if any, to which private interests can bear the cost of such programs within the economics of mining activity, (B) the effectivness of past action by Federal, State, and local units of government in remedying or controlling the adverse effects of acid mine pollution, (C) relationships which might be estab-

lished among Federal, State, and local units of government, and with private interests, for implementing and funding such programs, and (D) the need for appropriate Federal and State legislation, including adequate enforcement provisions, for such programs.

(6) Formulate a program for the appropriate control, reduction, or elimination of acid mine pollution in the region, including the identification of specific objectives and costs, with due consideration to: (A) the developmental effects of the program, (B) the economic benefits of the program in relation to costs, (C) the social effects of the program, (D) the avoidance of unwarranted financial gain to private interests, and (E) the types and sources of aid required to accomplish the program.

(c) The Commission shall, as required by the President, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the President. The records of the Commission shall be available for audit with respect to such grants by the President and the Comptroller General or their duly authorized representatives.

(d) Not to exceed $13,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section. Not to exceed $3,000,000 of such authorization shall be available for the purposes of subsection (b).

[(d)] *(e)* No part of any appropriated funds may be expended pursuant to authorization given by this Act involving any scientific or technological research or development activity unless such expenditure is conditioned upon provisions effective to insure that all information, copyrights, uses, processes, patents, and other developments resulting from that activity will be made freely available to the general public. Nothing contained in this subsection shall deprive the owner of any background patent relating to any such activity, without his consent, of any right which that owner may have under that patent. Whenever any information, copyright, use, process, patent or development resulting from any such research or development activity conducted in whole or in part with appropriated funds expended under authorization of this Act is withheld or disposed of by any person, organization, or agency in contravention of the provisions of this subsection, the Attorney General shall institute, upon his own motion or upon request made by any person having knowledge of pertinent facts, an action for the enforcement of the provisions of this subsection in the district court of the United States for any judicial district in which any defendent resides, is found, or has a place of business. Such court shall have jurisdiction to hear and determine such action, and to enter therein such orders and decrees as it shall determine to be required to carry into effect fully the provisions of this subsection. Process of the district court for any judicial district in any action instituted under this subsection may be served in any other judicial district of the United States by the United States marshal thereof. Whenever it appears to the court in which any such action is pending that other parties should be brought before the court in such action, the court may cause such other parties to be summoned from any judicial district of the United States.

PROJECT APPROVAL

[SEC. 303. An application for a grant or for any other assistance for a program or project under this Act shall be made only by a State, a political subdivision of a State, or a local development district. Each such application shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate such application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under the Act shall be approved for assistance by the Commission.]

SEC. 303. An application for a grant or for any other assistance for a program or project under this Act shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under the Act shall be approved for assistance.

ANNUAL REPORT

SEC. 304. Not later than six months after the close of each fiscal year, the Commission shall prepare and submit to the Governor of each State in the region and to the President, for transmittal to the Congress, a report on the activities carried out under this Act during such year.

TITLE IV—APPROPRIATIONS AND MISCELLANEOUS PROVISIONS

AUTHORIZATION OF APPROPRIATIONS

[SEC. 401. In addition to the appropriations authorized in section 201 for the Appalachian development highway system, there is hereby authorized to be appropriated for the period ending June 30, 1967, to be available until expended, not to exceed $252,400,000 to carry out this Act.]

SEC. 401. (a) In addition to the appropriations authorized in section 201 for the Appalachian development highway system and local access roads, there is hereby authorized to be appropriated to the President, to be available until expended, not to exceed $273,650,000 for the two-fiscal-year period ending June 30, 1969, to carry out this Act.

(b) Unexpended balances of appropriations under the authorization in this section prior to amendment by the Appalachian Regional Development Act Amendments of 1967 shall be treated as having been appropriated to the President for the purposes of this Act as amended, and shall remain available until expended: Provided, that any unexpended balances of appropriations for the purposes of section 204 prior to such amendment shall remain available for such purposes.

APPLICABLE LABOR STANDARDS

SEC. 402. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration, or repair, including painting and decorating, of projects, buildings, and works which are financially assisted through the Federal funds authorized under this

Act, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a–5). The Secretary of Labor shall have with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176, 64 Stat. 1267, 5 U.S.C. 133—133z–15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

DEFINITION OF APPALACHIAN REGION

SEC. 403. As used in this Act, the term "Appalachian region" or "the region" means that area of the eastern United States consisting of the following counties (including any political subdivision located within such area):

In Alabama, the counties of Bibb, Blount, Calhoun, Chambers, Cherokee, Chilton, Clay, Cleburne, Colbert, Coosa, Cullman, De Kalb, Elmore, Etowah, Fayette, Franklin, Jackson, Jefferson, *Lamar*, Lauderdale, Lawrence, Limestone, Madison, Marion, Marshall, Morgan, *Pickens*, Randolph, Saint Clair, Shelby, Talladega, Tallapoosa, Tuscaloosa, Walker, and Winston;

In Georgia, the counties of Banks, Barrow, Bartow, Carroll, Catoosa, Chattooga, Cherokee, Dade, Dawson, Douglas, Fannin, Floyd, Forsyth, Franklin, Gilmer, Gordon, Gwinnett, Habersham, Hall, Haralson, Heard, Jackson, Lumpkin, Madison, Murray, Paulding, Pickens, Polk, Rabun, Stephens, Towns, Union, Walker, White, and Whitfield;

In Kentucky, the counties of Adair, Bath, Bell, Boyd, Breathitt, Carter, Casey, Clark, Clay, Clinton, Cumberland, Elliott, Estill, Fleming, Floyd, Garrard, Green, Greenup, Harlan, Jackson, Johnson, Knott, Knox, Laurel, Lawrence, Lee, Leslie, Letcher, Lewis, Lincoln, McCreary, Madison, Magoffin, Martin, Menifee, Monroe, Montgomery, Morgan, Owsley, Perry, Pike, Powell, Pulaski, Rockcastle, Rowan, Russell, Wayne, Whitley, and Wolfe;

In Maryland, the counties of Allegany, Garrett, and Washington;

In Mississippi, the counties of Alcorn, Chickasaw, Choctaw, Clay, Itawamba, Kemper, Lee, Lowndes, Monroe, Noxubee, Oktibbeha, Pontotoc, Prentiss, Tippah, Tishomingo, Union, Webster, and Winston;

In New York, the counties of Allegany, Broome, Cattaraugus, Chautauqua, Chemung, Chenango, Cortland, Delaware, Otsego, Schoharie, Schuyler, Steuben, Tioga, and Tompkins;.

In North Carolina, the counties of Alexander, Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell, Cherokee, Clay, Davie, Forsyth, Graham, Haywood, Henderson, Jackson, McDowell, Macon, Madison, Mitchell, Polk, Rutherford, Stokes, Surry, Swain, Transylvania, Watauga, Wilkes, Yadkin, and Yancey;

In Ohio, the counties of Adams, Athens, Belmont, Brown, Carroll, Clermont, Coshocton, Gallia, Guernsey, Harrison, Highland, Hocking, Holmes, Jackson, Jefferson, Lawrence, Meigs, Monroe, Morgan, Muskingum, Noble, Perry, Pike, Ross, Scioto, Tuscarawas, Vinton, and Washington;

In Pennsylvania, the counties of Allegheny, Armstrong, Beaver, Bedford, Blair, Bradford, Butler, Cambria, Cameron, Carbon, Centre, Clarion, Clearfield, Clinton, Columbia, Crawford, Elk Erie, Fayette, Forest, Fulton, Greene, Huntingdon, Indiana, Jefferson, Juniata, Lackawanna, Lawrence, Luzerne, Lycoming, McKean, Mercer, Mifflin, Monroe, Montour, Northumberland, Perry, Pike, Potter, Schuylkill, Snyder, Somerset, Sullivan, Susquehanna, Tioga, Union, Venango, Warren, Washington, Wayhe, Westmoreland, and Wyoming;

In South Carolina, the counties of Anderson, Cherokee, Greenville, Oconee, Pickens, and Spartanburg;

In Tennessee, the counties of Anderson, Bledsoe, Blount, Bradley, Campbell, Carter, Claiborne, Clay, Cocke, Coffee, Cumberland, De Kalb, Fentress, Franklin, Grainger, Greene, Grundy, Hamblen, Hamilton, Hancock, Hawkins, Jackson, Jefferson, Johnson, Knox, Loudon, McMinn, Macon, Marion, Meigs, Monroe, Morgan, Overton, Pickett, Polk, Putnam, Rhea, Roane, Scott, Sequatchie, Sevier, Smith, Sullivan, Unicoi, Union, Van Buren, Warren, Washington, and White;

In Virginia, the counties of Alleghany, Bath, Bland, Botetourt, Buchanan, Carroll, Craig, Dickenson, Floyd, Giles, Grayson, Highland, Lees, Pulaski, Russell, Scott, Smyth, Tazewell, Washington, Wise, and Wythe;

All the counties of West Virginia [:].

[*Provided*, That the Commission is hereby authorized and directed to study and consider, in consultation with the Governor of the State of New York or an appropriate official or officials designated by him, the inclusion of such counties of the State of New York as are contiguous to the Appalachian region as defined in this section and counties contiguous thereto in the Appalachian region for the purposes of this Act; and if the Commission shall decide after such consultation, that these counties share the social and economic characteristics of the region, and that the inclusion of these counties would further the purposes of this Act as set forth in section 2, then the Commission is authorized and directed to invite the State of New York to participate in the Commission on an appropriate basis: *Provided further*, That the Commission may extend the invitation to the State of New York for inclusion of such of the described counties the inclusion of which would further the purposes of the Act: *And provided further*, That if such invitation is duly accepted by the State of New York, those counties shall be included in "the region" or "the Appalachian region" for the purposes of this Act.]

No recommendation for any change in the definition of the Appalachian region as set forth in this section shall be proposed or considered by the Commission without a prior request by the Congress for a study of such change.

SEVERABILITY

SEC. 404. If any provision of this Act, or the applicability thereof to any person or circumstance, is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

TERMINATION

SEC. 405. This Act shall cease to be in effect on July 1, 1971.

Amend the title so as to read: "A bill to revise and extend the Appalachian Regional Development Act of 1965, and to amend title V of the Public Works and Economic Development Act of 1965."

AMENDMENTS TO TITLE V OF THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

* * * * * * *

FUNCTIONS OF COMMISSION

SEC. 503. (a) In carrying out the purposes of this Act, each Commission shall with respect to its region—

(1) advise and assist the Secretary in the identification of optimum boundaries for multistate economic development regions;

(2) initiate and coordinate the preparation of long-range overall economic development programs for such [regions;] *regions, including the development of a comprehensive long-range economic plan approved by the Secretary;*

(3) foster surveys and studies to provide data required for the preparation of specific plans and programs for the development of such regions;

(4) advise and assist the Secretary and the States concerned in the initiation and coordination of economic development districts, in order to promote maximum benefits from the expenditure of Federal, State, and local funds;

(5) promote increased private investment in such regions;

(6) prepare legislative and other recommendations with respect to both short-range and long-range programs and projects for Federal, State, and local agencies;

(7) develop, on a continuing basis, comprehensive and coordinated plans and programs and establish priorities thereunder, giving due consideration to other Federal, State, and local planning in the region;

(8) conduct and sponsor investigations, research, and studies, including an inventory and analysis of the resources of the region, and, in cooperation with Federal, State, and local agencies, sponsor demonstration projects designed to foster regional productivity and growth;

(9) review and study, in cooperation with the agency involved, Federal, State, and local public and private programs and, where appropriate, recommend modifications or additions which will increase their effectiveness in the region;

(10) formulate and recommend, where appropriate, interstate compacts and other forms of interstate cooperation, and work with State and local agencies in developing appropriate model legislation; and

(11) provide a forum for consideration of problems of the region and proposed solutions and establish and utilize, as appropriate, citizens and special advisory councils and public conferences.

(b) The Secretary shall present such plans and proposals of the commissions as may be transmitted and recommended to him (but are not authorized by any other section of this Act) first for review by the Federal agencies primarily interested in such plans and proposals and then, together with the recommendations of such agencies, to the President for such action as he may deem desirable.

(c) The Secretary shall provide effective and continuing liaison between the Federal Government and each regional commission.

(d) Each Federal agency shall, consonant with law and within the limits of available funds, cooperate with such commissions as may be established in order to assist them in carrying out their functions under this section.

(e) Each regional commission may, from time to time, make additional recommendations to the Secretary and recommendations to the State Governors and appropriate local officials, with respect to—

(1) the expenditure of funds by Federal, State, and local departments and agencies in its region in the fields of natural resources, agriculture, education, training, health and welfare, transportation, and other fields related to the purposes of this Act; and

(2) such additional Federal, State, and local legislation or administrative actions as the commission deems necessary to further the purposes of this Act.

* * * * * * *

REGIONAL TECHNICAL AND PLANNING ASSISTANCE

SEC. 505. (a) The Secretary is authorized to provide to the commissions technical assistance which would be useful in aiding the commissions to carry out their functions under this Act and to develop recommendations and programs. Such assistance shall include studies and plans evaluating the needs of, and developing potentialities for, economic growth of such region, and research on improving the conservation and utilization of the human and natural resources of the region. Such assistance may be provided by the Secretary through members of his staff, through the payment of funds authorized for this section to other departments or agencies of the Federal Government, or through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purposes, or through grants-in-aid to the commissions. The Secretary, in his discretion, may require the repayment of assistance provided under this subsection and prescribe the terms and conditions of such repayment.

(b) For the period ending on June 30 of the second full Federal fiscal year following the date of establishment of a commission, the administrative expenses of each commission as approved by the Secretary shall be paid by the Federal Government. Thereafter, not to exceed 50 per centum of such expenses may be paid by the Federal Government. In determining the amount of the non-Federal share of such costs or expenses, the Secretary shall give due consideration to all contributions both in cash and in kind, fairly evaluated, including but not limited to space, equipment, and services.

(c) There is hereby authorized to be appropriated $15,000,000 for the fiscal year ending June 30, 1966, and for each fiscal year there-

after through the fiscal year ending June 30, 1970, for the purposes of this section. *Not to exceed $2,500,000 of the funds authorized to be appropriated by this subsection for each fiscal year shall be allocated by the Secretary to each regional commission to carry out the purposes of this section.*

* * * * * * *

SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

SEC. 509. (a) In order to enable the States and other entities within economic development regions established under this Act to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the Secretary is authorized, once a comprehensive long-range economic plan established pursuant to clause (2) of section 503(a) is in effect, to provide funds pursuant to specific recommendations of each of the Federal Cochairmen of the regional commissions heretofore or hereafter established under this title, to be used for the sole purpose of increasing the Federal contribution to projects under such programs above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. No program or project authorized under this section shall be implemented until (1) applications and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this Act, and (2) the Regional Commission involved has approved such program or project and has determined that it meets the applicable criteria under section 504 and will contribute to the development of the region, which determination shall be controlling. Funds may be provided only for Federal grant-in-aid programs for which funds are available under the Act authorizing such programs. Funds so provided shall be available without regard to any appropriation authorization ceilings in such Act.

(b) The Federal portion of such costs shall not be increased in excess of the percentages established by each Commission, and shall in no event exceed 80 per centum thereof.

(c) The term "Federal grant-in-aid programs" as used in this section means all existing or future Federal grant-in-aid programs assisting in the acquisition of land or the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by title I of this Act and by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965, and National Defense Education Act of 1958. The term shall not include any program in which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this section, and shall not be taken into account in the computation of allocations among the States made pursuant to any other provision of law.

(d) There is hereby authorized to be appropriated to the Secretary for each of the regional commissions for the purposes of this section the sum of $5,000,000 for the period ending June 30, 1968, and the sum of $10,000,000 for the fiscal year ending June 30, 1969.

(e) Any amounts appropriated under this section shall remain available until expended, and any amounts authorized for any fiscal year under this section but not appropriated may be appropriated for any succeeding fiscal year commencing prior to July 1, 1970.

(f) An application for a grant under this section shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under this section shall be approved for assistance.

ANNUAL REPORTS

SEC. [509.] *510.* Each regional commission established pursuant to this Act shall make a comprehensive and detailed annual report each fiscal year to the Congress with respect to such commission's activities and recommendations for programs. The first such report shall be made for the first fiscal year in which such commission is in existence for more than three months. Such reports shall be printed and transmitted to the Congress not later than January 31 of the calendar year following the fiscal year with respect to which the report is made.

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Calendar No. 161

90TH CONGRESS
1ST SESSION

S. 602

[Report No. 159]

IN THE SENATE OF THE UNITED STATES

JANUARY 23 (legislative day, JANUARY 19), 1967

Mr. RANDOLPH (for himself, Mr. COOPER, Mr. BAKER, Mr. BARTLETT, Mr. BAYH, Mr. BREWSTER, Mr. CLARK, Mr. DODD, Mr. EASTLAND, Mr. ERVIN, Mr. GRUENING, Mr. HART, Mr. HARTKE, Mr. HILL, Mr. INOUYE, Mr. JAVITS, Mr. JORDAN of North Carolina, Mr. KENNEDY of Massachusetts, Mr. KENNEDY of New York, Mr. LAUSCHE, Mr. MONTOYA, Mr. MORSE, Mr. MORTON, Mr. MOSS, Mr. PELL, Mr. RIBICOFF, Mr. RUSSELL, Mr. SCOTT, Mr. SPARKMAN, Mr. SPONG, Mr. STENNIS, Mr. TYDINGS, Mr. YARBOROUGH, and Mr. YOUNG of Ohio) introduced the following bill; which was read twice and referred to the Committee on Public Works

APRIL 6, 1967

Reported by Mr. RANDOLPH, with amendments

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To revise and extend the Appalachian Regional Development Act of 1965.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, ~~That this Act may be cited as the "Appalachian Regional Development Act Amendments of 1967".~~

~~SEC. 2. Section 102 of the Appalachian Regional Development Act of 1965 (hereinafter referred to as "the~~

Act") is amended by striking out clause (9) and inserting in lieu thereof the following:

"(9) approve for assistance such programs and projects authorized under this Act as it determines will contribute to the development of the Appalachian region and advance funds appropriated under this Act to appropriate departments and agencies to assist in carrying out said programs and projects."

SEC. 3. Section 105 of the Act is amended to read as follows:

"ADMINISTRATIVE EXPENSES OF THE COMMISSION

"SEC. 105. (a) For the period ending on June 30, 1967, the administrative expenses of the Commission shall be paid by the Federal Government. Thereafter, such expenses shall be paid equally by the Federal Government and the States in the region, except for the expenses of the Federal cochairman, his alternate, and his staff, which shall be paid solely by the Federal Government. The share to be paid by each State shall be determined by the Commission. The Federal cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any de-

termination by the Commission while such State is delinquent in payment of its share of such expenses.

"(b) Not to exceed $2,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section. Not to exceed $750,000 of such authorization shall be available for the expenses of the Federal cochairman, his alternate, and his staff."

SEC. 4. (a) Clause (2) of section 106 of the Act is amended by inserting before the period at the end thereof a comma and the following: "except as provided in section 109 of this Act".

(b) Clause (7) of such section is amended to read as follows:

"(7) enter into and perform such contracts, leases (including, notwithstanding any other provision of law, the lease of office space for any term expiring no later than June 30, 1971), cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department agency, or instrumentality of the United States (which is hereby so authorized to the extent not otherwise prohibited by law) or with any State, or any political subdivision,

agency, or instrumentality thereof, or with any person, firm, association, or corporation."

SEC. 5. Title I of the Act is amended by inserting at the end thereof a new section as follows:

"COMMISSION EMPLOYEE PROTECTIONS

"SEC. 109. (a) Section 5334(a) of title 5, United States Code, is amended by inserting the following new sentence at the end thereof: 'For the purpose of this subsection, an individual employed by the Appalachian Region Commission under section 106(2) of the Appalachian Regional Development Act of 1965 (79 Stat. 5, 8; 40 App. A, U.S.C. 106(2)), who within six months after separation from such employment is employed in a position to which this subchapter applies, shall be deemed to have transferred from a position in the executive branch to which this subchapter does not apply.'

"(b) Section 6303(a) of title 5, United States Code, is amended by inserting the following new sentence after the third sentence: 'In determining years of service, an employee also is entitled to credit for all service in the Appalachian Regional Commission not otherwise included.'

"(c) Section 6308 of title 5, United States Code, is amended by inserting the following new sentence at the end thereof: 'An individual employed by the Appalachian Regional Commission under section 106(2) of the Appalachian

Regional Development Act of 1965 (79 Stat. 5, 8; 40 App. A, U.S.C. 106(2)), who within six months after separation from such employment is employed in a position in which he is subject to this chapter shall be deemed, for the purpose of crediting accumulated sick leave earned during Commission service, to have transferred between different leave system.'

"(d) Employees who suffer disability or death while in the performance of their duties for the Commission shall be deemed to be employees of the United States Government for the purposes of subchapter I, chapter 81, as amended (relating to compensation for work injuries), of title 5, United States Code (5 U.S.C. 8101–8173 and 80 Stat. 252–257). Whenever any person is entitled to receive any benefits under such subchapter I, chapter 81, as amended, by reason of his injury, or by reason of the death of an employee, and is also entitled to receive any benefits (other than the proceeds of any life insurance policy) under applicable State workmen's compensation legislation, any payment received by such person under State workmen's compensation legislation shall be credited against any benefits otherwise payable under subchapter 1, chapter 81, as amended. The provisions of section 8147(b) of title 5, United States Code, shall apply to the Commission."

SEC. 6. Section 201 of the Act is amended to read as follows:

"APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

"SEC. 201. (a) In order to provide a highway system which, in conjunction with the Interstate System and other Federal-aid highways in the Appalachian region, will open up an area or areas with a developmental potential where commerce and communication have been inhibited by lack of adequate access, the Appalachian Regional Commission is authorized to designate, and approve programs and projects for the construction of an Appalachian development highway system and local access roads serving the Appalachian region, and to advance funds therefor to the Secretary of Transportation (hereafter in this section referred to as the 'Secretary'). The Secretary is authorized to assist in the construction of such development highway projects and access roads in accordance with the provisions of title 23, United States Code, that are applicable to the construction and maintenance of Federal-aid primary and secondary highways, and which the Secretary determines are not inconsistent with this Act. Construction on the development highway system shall not exceed two thousand seven hundred miles. In addition thereto, there are authorized to be constructed not in excess of two thousand miles of local access roads, that will serve specific recreational, residential, educational, commercial,

~~industrial, or other like facilities or will facilitate a school consolidation program.~~

~~"(b) The Commission shall transmit to the Secretary its designations of (1) the general corridor location and termini of the development highways, (2) local access roads to be constructed, (3) priorities for the construction of major segments of the development highways, and (4) other criteria for the program authorized by this section. Before any State member participates in or votes on such designations, he shall have obtained the recommendations of the State highway department of the State which he represents.~~

~~"(c) In no event shall the Commission approve any recommendations for any construction which would require for its completion the expenditure of Federal funds (other than funds available under title 23, United States Code) in excess of the appropriations authorization in subsection (g). On its completion each development highway not already on the Federal-aid primary system shall be added to such system and each development highway and local access road shall be required to be maintained by the State as provided for Federal-aid highways in title 23, United States Code.~~

~~"(d) In the construction of highways and roads authorized under this section, the States may give special preference to the use of mineral resource materials indigenous to the Appalachian region.~~

"(e) For the purposes of research and development in the use of coal and coal products in highway construction and maintenance, the Secretary is authorized to require each participating State, to the maximum extent possible, to use coal derivatives in the construction of not to exceed 10 per centum of the roads authorized under this Act.

"(f) Federal assistance to any construction project under this section shall not exceed 50 per centum of the costs of such project, unless the Commission determines that assistance in excess of such percentage is required in furtherance of the purposes of this Act, but in no event shall such Federal assistance exceed 70 per centum of such costs.

"(g) To carry out this section, there is hereby authorized to be appropriated to the Commission, to be available until expended, the sum of $110,000,000 for the fiscal year ending June 30, 1968; the sum of $255,000,000 for the fiscal year ending June 30, 1969; the sum of $245,000,000 for the fiscal year ending June 30, 1970; and the sum of $105,000,000 for the fiscal year ending June 30, 1971. Unexpended balances of appropriations to the Secretary of Commerce under the authorization in this section prior to amendment by the Appalachian Regional Development Act Amendments of 1967 shall be treated as having been appropriated to the Commission and advanced to the Secretary

under an additional authorization in this section, and shall remain available until expended.

"(h) Funds authorized in this section shall be allocated to the member States by the Commission on a date not later than the first day of the fiscal year for which authorized and shall be available for expenditure on approved projects upon allocation.

"(i)(1) When a participating State proceeds to construct a segment of a development highway without the aid of Federal funds, in accordance with all procedures and requirements applicable to the construction of segments of Appalachian development highways with such funds, except insofar as such procedures and requirements limit a State to the construction of projects for which Federal funds have previously been appropriated, the Secretary, upon application by the State, is authorized to pay to the State, at such times, in such amounts and under such terms and conditions as may be approved by the Commission, the Federal share not to exceed 70 per centum of the costs of construction of such segment, from any sums appropriated to carry out this section.

"(2) This subsection shall not be construed as a commitment or obligation on the part of the United States to

provide funds for segments of development highways constructed under this subsection, and shall not increase the total amount of construction which the Commission is authorized to approve under subsection (c)."

SEC. 7. Section 202 of the Act is amended to read as follows:

"DEMONSTRATION HEALTH PROJECTS

"SEC. 202. (a) In order to demonstrate the value of adequate health facilities and services to the economic development of the region, the Commission is authorized to approve programs and projects for demonstration health programs and projects, and to advance funds therefor to the Secretary of Health, Education, and Welfare. Upon receipt of such Commission approval, the Secretary of Health, Education, and Welfare shall make grants for the planning, construction, equipment, and operation of multicounty demonstration health projects, including hospitals, regional health diagnostic and treatment centers, and other facilities and services necessary to health. Grants for such construction (including the acquisition of facilities and initial equipment) shall be made in accordance with the applicable provisions of title VI of the Public Health Service Act (72 U.S.C. 291-291o), the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), and other laws authorizing

grants for the construction of health-related facilities, without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

"(b) No grant for the construction or equipment of any component of a demonstration health project shall exceed 80 per centum of such costs. The Federal contribution may be provided entirely from funds authorized under this section or in combination with funds provided under other Federal grant-in-aid programs for the construction or equipment of health-related facilities. Notwithstanding section 104 of the Public Works and Economic Development Act of 1965 (79 Stat. 554), or any other provision of law, funds authorized under this section may be used to increase Federal grants for component facilities of a demonstration health project above the maximum portion of the costs of such facilities otherwise authorized by the applicable laws.

"(c) Grants under this section for operation (including initial operating funds and operating deficits comprising among other items the costs of attracting, training, and retaining qualified personnel) of a demonstration health proj-

ect, whether or not constructed with funds authorized by this section, may be made for up to 100 per centum of the costs thereof for the two-year period beginning, for each component facility or service assisted under any such operating grant, on the first day that such facility or service is in operation as a part of the project. For the next three years of operations such grants shall not exceed 50 per centum of such costs. No grants for operation of a demonstration health project shall be made after five years following the commencement of the initial grant for operation of the project.

"(d) The Commission is authorized to provide funds for the support of its Health Advisory Committee and to make grants for expenses of planning necessary for the development and operation of demonstration health projects for the region. The amount of any such grant shall not exceed 75 per centum of such expenses.

"(e) Not to exceed $70,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 8. (a) Subsection (a) of section 203 of the Act is amended to read as follows:

"(a) In order to provide for the control and prevention or erosion and sediment damages in the Appalachian region

and to promote the conservation and development of the soil and water resources of the region, the Commission is authorized to approve programs and projects for land stabilization conservation and erosion control, and to advance funds therefor, to the Secretary of Agriculture. Upon receipt of such Commission approval, the Secretary of Agriculture shall enter into agreements of not more than ten years with landowners, operators, and occupiers, individually or collectively, in the Appalachian region determined by him to have control for the period of the agreement of the lands described therein, providing for land stabilization, erosion and sediment control, and reclamation through changes in land use, and conservation treatment including the establishment of practices and measures for the conservation and development of soil, water, woodland, wildlife, and recreation resources."

(b) Subsection (i) of such section is amended by inserting after "Act" the following: "for the two-fiscal-year period ending June 30, 1969,".

SEC. 9. (a) The portion of subsection (a) of section 204 of the Act preceding clause (1) is amended to read as follows:

"(a) In order that the region shall more fully benefit from the timber stands that are one of its prime assets, the Commission is authorized to approve programs and projects of technical assistance and loans to timber development orga-

nizations, and to advance funds therefor, to the Secretary of Agriculture. Upon receipt of such Commission approval, the Secretary of Agriculture shall—".

(b) Subsection (b) of such section is amended to read as follows:

"(b) Not to exceed $4,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 10. (a) The portion of subsection (a) of section 205 of the Act preceding paragraph (2) is amended to read as follows:

"(a) In order to further the economic development of the region by rehabilitating areas presently damaged by deleterious mining practices, the Commission is authorized to approve restoration programs and projects, and to advance funds therefor, to the Secretary of the Interior. Upon receipt of such Commission approval, the Secretary of the Interior is authorized to—

"(1) make financial contributions to States in the region to seal and fill voids in abandoned coal mines and abandoned oil and gas wells, and to reclaim and rehabilitate lands affected by the strip and surface mining and processing of coal and other minerals, including waste

piles, in accordance with provisions of the Act of July 15, 1955 (30 U.S.C. 571 et seq.), to the extent applicable, without regard to section 2 (b) thereof (30 U.S.C. 572 (b)) or to any provisions therein limiting assistance to anthracite coal formation, or to the Commonwealth of Pennsylvania. Grants under this paragraph shall be made wholly out of funds specifically appropriated for the purposes of carrying out this Act."

(b) Subsection (b) of such section is amended by striking out "and 1967" and inserting in lieu thereof ", 1967, 1968 and 1969", and by inserting after "restoration projects" a comma and the following: "including land acquisition costs,".

(c) The first sentence of subsection (d) of such section is amended to read as follows: "Not to exceed $39,150,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 11. Subsection (g) of section 206 of the Act is amended to read as follows:

"(g) Not to exceed $2,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 12. Part A of title II of the Act is amended by inserting at the end thereof a new section as follows:

"HOUSING PROGRAM INCENTIVES

"SEC. 207. (a) In order to encourage and facilitate the construction of housing to meet the needs of low- and medium-income families and individuals in the Appalachian region, by making possible wider use in the region of section 221 of the National Housing Act, the Commission is authorized to approve programs and projects and to advance funds therefor, to the Secretary of Housing and Urban Development. The Secretary of Housing and Urban Development is authorized to make low-interest and interest-free loans and grants for approved programs and projects, under such terms and conditions as he may require, to private nonprofit corporations or other private nonprofit legal entities, limited dividend corporations or other limited dividend legal entities, cooperative housing corporations, and public bodies or agencies, both regional and local in scope. These funds shall be used to meet up to 80 per centum of the reasonable costs, including technical services, incidental to the initial planning for, and the construction or rehabilitation of housing in any area of the Appalachian region determined by the Commission to have significant potential for future growth, which costs are reasonably incurred prior to the availability of

mortgage or other permanent financing for such housing and in anticipation thereof: *Provided,* That the Secretary shall require repayment of any funds used for costs subsequently included in a mortgage insured under section 221 of the National Housing Act or for costs which the Secretary determines could reasonably have been included in such mortgage: *And provided further,* That the non-Federal share of such costs may be in cash, or in kind, fairly evaluated, including but not limited to space, equipment, and services.

"(b) All funds appropriated for the purposes of this section shall, after advance by the Commission, be deposited in a fund which shall be known as the Appalachian Housing Fund and shall be used as a revolving fund by the Secretary of Housing and Urban Development for carrying out the provisions of this section. General expenses of administration of this section may be charged to such fund. Moneys in such fund not needed for current operation may be invested in bonds or other obligations guaranteed as to principal and interest by the United States.

"(c) Not to exceed $5,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 13. Section 211 of the Act is amended to read as follows:

"VOCATIONAL EDUCATION FACILITIES

"SEC. 211. (a) In order to provide basic facilities to give the people of the region the training and education they need to obtain employment, the Commission is authorized to approve programs and projects for construction of vocational education facilities, and for equipment of both existing and new facilities, and to advance funds therefor, to the Secretary of Health, Education, and Welfare. Upon receipt of such Commission approval, the Secretary of Health, Education, and Welfare shall make grants for construction and equipment of the school facilities needed in accordance with the provisions of the Vocational Education Act of 1963 (77 Stat. 403), without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

"(b) Not to exceed $18,000,000 of the funds authorized in section 401 for the two-fiscal-year period ending June 30, 1969, of this Act shall be available to carry out this section."

SEC. 14. Section 212 of the Act is amended to read as follows:

"SEWAGE TREATMENT WORKS

"SEC. 212. (a) In order to provide facilities to assist in the prevention of pollution of the region's streams and to protect the health and welfare of its citizens, the Commission is authorized to approve programs and projects for the construction of sewage treatment works, and to advance funds therefor to the Secretary of the Interior. Upon receipt of such Commission approval, the Secretary of the Interior shall make construction grants in accordance with the provisions of the Federal Water Pollution Control Act (33 U.S.C. 466 et seq.), without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States pursuant to any other provision of law.

"(b) Not to exceed $6,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 15. (a) Section 701(a) of the Housing Act of 1954 (40 U.S.C. 461(a)) is amended by striking out "and"

at the end of clause (8) and all of clause (9) and inserting in lieu thereof the following:

"(9) the Appalachian Regional Commission, for comprehensive planning for the Appalachian region as defined by section 403 of the Appalachian Regional Development Act of 1965; and

"(10) local development districts, certified under section 301 of the Appalachian Regional Development Act of 1965, for comprehensive planning for their entire areas, or for metropolitan planning, urban planning, county planning, or small municipality planning within such areas in the Appalachian region, and for planning for Appalachian regional programs."

(b) The first sentence of section 701(b) of the Housing Act of 1954 is amended by striking out "to States participating in planning for Appalachian regional programs, for expenses incurred in the course of such planning, or to the Appalachian Regional Commission" and inserting in lieu thereof the following: "to States and local development districts participating in planning for Appalachian regional programs, for expenses incurred in the course of such planning, or to the Appalachian Regional Commission".

SEC. 16. Section 214 of the Act is amended to read as follows:

"SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

"SEC. 214. (a) In order to enable the people, States, and local communities of the region, including local development districts, to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the Commission is authorized to approve programs and projects and to advance funds appropriated to carry out this section to the heads of the departments, agencies, and instrumentalities of the Federal Government responsible for the administration of such Federal grant-in-aid programs. Funds so advanced shall be used for the sole purpose of increasing the Federal contribution to projects under such programs above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. Funds shall be so advanced for Federal grant-in-aid programs for which funds are available under the Act authorizing such programs. Such advanced funds shall be available without regard to any appropriation authorization ceilings in such Act.

"(b) The Federal portion of such costs shall not be increased in excess of the percentages established by the Commission, and shall in no event exceed 80 per centum thereof.

"(c) The term 'Federal grant-in-aid programs' as used in this section means those Federal grant-in-aid programs authorized by this Act for the construction or equipment of facilities, and all other existing or future Federal grant-in-aid programs that the Commission may designate as furthering the purposes of this Act, authorized by Acts other than this Act for the acquisition of land and the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958. The term shall not include (A) the program for the construction of the development highway system authorized by section 201 of this Act or any other program relating to highway or road construction, or (B) any other program for which loans or

other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act.

"(d) Not to exceed $90,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 17. Section 223 of the Act is amended to read as follows:

"PROGRAM IMPLEMENTATION

"SEC. 223. A program and projects authorized under any section of this title shall not be approved for assistance by the Commission until (1) applications and plans relating to such programs and projects have been submitted to the Federal officer having responsibility for implementing such programs and projects, and such applications and plans have been determined, except as otherwise provided in this Act, to be in accordance with the provisions of the Federal laws which they administer; and (2) the Commission has determined that such program and projects meet the criteria established by this Act, and will contribute to the development of the Appalachian region, which determinations shall be binding on the implementing Federal agencies."

SEC. 18. Section 224(a) of the Act is amended by

striking out "In developing recommendations on the" and inserting in lieu thereof the following: "In approving".

SEC. 19. Subsections (a), (b), and (c) of section 302 of the Act are amended to read as follows:

"(a) The Commission is authorized—

"(1) to make grants to State members of the Commission for technical services and administrative expenses of local development districts, but (A) the amount of any such grant shall not exceed 75 per centum of such expenses, (B) no grants for administrative expenses shall be made for a local development district for a period in excess of three years beginning on the date the initial grant is made for such development district, and (C) the local contributions for administrative expenses may be in cash or in kind, fairly evaluated, including but not limited to space, equipment, and services; and

"(2) either directly or through arrangements with appropriate public or private organizations, to provide funds for investigation, research, studies, technical assistance, and demonstration projects, and for training programs, but not for construction purposes, which will further the purposes of this Act.

"(b) Recipients of Federal assistance under the pro-

visions of this section shall, as required by the Commission, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the Commission. The records of the recipient shall be available for audit with respect to such grants by the Commission and the Comptroller General or their duly authorized representatives.

"(c) Not to exceed $10,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this made through the State member of the Commission representation."

SEC. 20. Section 303 of the Act is amended to read as follows:

"PROJECT APPROVAL

"SEC. 303. An application for a grant or for any other assistance for a program or project under this Act shall be senting such applicant, and such State member shall evaluate such application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under the Act shall be approved for assistance by the Commission."

SEC. 21. Section 401 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 401. (a) In addition to the appropriations authorized in section 201 for the Appalachian development highway system and local access roads, there is hereby authorized to be appropriated for the two-fiscal-year period ending June 30, 1969, to be available until expended, not to exceed $263,150,000 to the Commission to carry out this Act. The Commission is authorized, from funds appropriated under this section, to advance, from time to time, to the heads of the appropriate departments or agencies for the purposes of carrying out the various sections of this Act, such funds as the Commission approves within the ceilings established in the different sections of this Act.

"(b) Unexpended balances of appropriations under the authorization in this section prior to amendment by the Appalachian Regional Development Act Amendments of 1967 shall be treated as having been appropriated to the Commission and shall remain available until expended."

SEC. 22. (a) Section 403 of the Act is amended by inserting after the clause relating to the counties in Maryland the following:

"In Mississippi, the counties of Alcorn, Attala, Benton, Calhoun, Chickasaw, Choctaw, Clay, Grenada, Itawamba,

Kemper, Lafayette, Lee, Lowndes, Marshall, Monroe, Montgomery, Noxubee, Oktibbeha, Pontotoc, Prentiss, Tippah, Tishomingo, Union, Webster, Winston, and Yalobusha;

"In New York, the counties of Allegany, Broome, Cattaraugus, Chautauqua, Chemung, Chenango, Cortland, Delaware, Otsego, Schuyler, Steuben, Tioga, and Tompkins;".

(b) Such section is further amended by striking out the colon following "West Virginia" and all of the remainder of such section and inserting in lieu thereof a period.

SEC. 23. (a) Section 302 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 842) is amended by inserting after the first sentence of subsection (a) the following new sentence: "The Commissioner also shall reserve such amount as he may determine for grants to the Appalachian Regional Commission for educational planning and research in connection with its comprehensive planning for the Appalachian region as defined under section 403 of the Appalachian Regional Development Act of 1965.".

(b) Section 303 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 843) is amended by inserting after "SEC. 303. Grants", the phrase "to a local education agency".

(c) Section 304 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 844) is amended by insert-

~~ing after "Applications for grants" in subsection (b), the phrase "to a local education agency".~~

~~(d) Section 502 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 862) is amended by inserting after the first sentence of subsection (a)(1) the following new sentence: "The Commissioner also shall reserve such amount as he may determine for grants to the Appalachian Regional Commission for educational planning and research in connection with its comprehensive planning for the Appalachian region as defined under section 403 of the Appalachian Regional Development Act of 1965.".~~

~~(e) Section 505 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 865) is amended by inserting before the period at the end of the section the following: ", and for grants to the Appalachian Regional Commission for educational planning and research in connection with its comprehensive planning for the Appalachian region as defined under section 403 of the Appalachian Regional Development Act of 1965".~~

TITLE I—APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1967

SEC. 101. This title may be cited as the "Appalachian Regional Development Act Amendments of 1967".

SEC. 102. Section 102 of the Appalachian Regional Development Act of 1965 (hereinafter in this title referred to as

"the Act") is amended (1) by inserting "and" at the end of clause (7); (2) by striking out the semicolon and the word "and" at the end of clause (8) and inserting in lieu of thereof a period; and (3) by striking out clause (9).

SEC. 103. Section 105 of the Act is amended to read as follows:

"ADMINISTRATIVE EXPENSES OF THE COMMISSION

"SEC. 105. (a) For the period ending on June 30, 1967, the administrative expenses of the Commission shall be paid by the Federal Government. Thereafter, such expenses shall be paid 50 per centum by the Federal Government and 50 per centum by the States in the region, except that the expenses of the Federal Cochairman, his alternate, and his staff shall be paid solely by the Federal Government. The share to be paid by each State shall be determined by the Commission. The Federal Cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

"(b) To carry out this section, there is hereby authorized to be appropriated to the Commission, to be available

until expended, not to exceed $1,700,000 for the two-fiscal-year period ending June 30, 1969. Not to exceed $400,000 of such authorization shall be available for the expenses of the Federal Cochairman, his alternate, and his staff. Unexpended balances of appropriations under the authorization in this section prior to amendment by the Appalachian Regional Development Act Amendments of 1967 shall remain available for the purposes of this section, as amended, until expended."

SEC. 104. Clause (7) of section 106 of the Act, entitled "ADMINISTRATIVE POWERS OF THE COMMISSION", is amended to read as follows:

"(7) enter into and perform such contracts, leases (including, notwithstanding any other provision of law, the lease of office space for any term expiring no later than June 30, 1971), cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States (which is hereby so authorized to the extent not otherwise prohibited by law) or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation."

SEC. 105. Section 201 of the Act is amended to read as follows:

"APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

"SEC. 201. (a) In order to provide a highway system which, in conjunction with the Interstate System and other Federal-aid highways in the Appalachian region, will open up an area or areas with a developmental potential where commerce and communication have been inhibited by lack of adequate access, the Secretary of Transportation (hereafter in this section referred to as the 'Secretary') is authorized to assist in the construction of an Appalachian development highway system and local access roads serving the Appalachian region. The provisions of title 23, United States Code, that are applicable to the construction and maintenance of Federal-aid primary and secondary highways, and which the Secretary determines are not inconsistent with this Act, shall apply, respectively, to the development highway system and the local access roads. Construction on the development highway system shall not exceed two thousand seven hundred miles. Construction of local access roads shall not exceed two thousand miles that will serve specific recreational, residential, educational, commercial, industrial, or other like facilities or will facilitate a school consolidation program.

"(b) The Commission shall transmit to the Secretary its

designations of (1) the general corridor location and termini of the development highways, (2) local access roads to be constructed, (3) priorities for the construction of segments of the development highways, and (4) other criteria for the program authorized by this section. Before any State member participates in or votes on such designations, he shall have obtained the recommendations of the State highway department of the State which he represents.

"(c) In no event shall the Secretary assist in any construction (including right-of-way acquisition) which would require for its completion the expenditure of Federal funds (other than funds available under title 23, United States Code) in excess of the appropriations authorization in subsection (g). On its completion each development highway not already on the Federal-aid primary system shall be added to such system and each development highway and local access road shall be required to be maintained by the State as provided for Federal-aid highways in title 23, United States Code.

"(d) In the construction of highways and roads authorized under this section, the States may give special preference to the use of materials and products indigenous to the Appalachian region.

"(e) For the purposes of research and development in

the use of coal and coal products in highway construction and maintenance, the Secretary shall require each participating State, to the maximum extent possible, to use coal derivatives in the construction of not to exceed 10 per centum of the roads authorized under this Act.

"(f) Federal assistance to any construction project under this section shall not exceed 50 per centum of the costs of such project, unless the Commission determines that assistance in excess of such percentage is required in furtherance of the purposes of this Act, but in no event shall such Federal assistance exceed 70 per centum of such costs.

"(g) To carry out this section, there is hereby authorized to be appropriated to the President, to be available until expended, $715,000,000 for the four-fiscal year period ending June 30, 1971. Unexpended balances of appropriations to the Secretary of Commerce under the authorization in this section prior to amendment by the Appalachian Regional Development Act Amendments of 1967 shall be treated as having been appropriated to the President for the purposes of this section, as amended, and shall remain available until expended.

"(h)(1) When a participating State proceeds to construct a segment of a development highway without the aid of Federal funds, in accordance with all procedures and

requirements applicable to the construction of segments of Appalachian development highways with such funds, except insofar as such procedures and requirements limit a State to the construction of projects for which Federal funds have previously been appropriated, the Secretary, upon application by the State and after approval of the project by the Commission under section 223(2) of this Act, shall pay to the State the Federal share not to exceed 70 per centum of the costs of construction of such segment, from any sums appropriated to carry out this section.

"(2) This subsection shall not be construed as a commitment or obligation on the part of the United States to provide funds for segments of development highways constructed under this subsection, and shall not increase the limitation on construction in subsection (c)."

SEC. 106. Section 202 of the Act is amended to read as follows:

"DEMONSTRATION HEALTH PROJECTS

"SEC. 202. (a) In order to demonstrate the value of adequate health facilities and services to the economic development of the region, the Secretary of Health, Education, and Welfare is authorized to make grants for the planning, construction, equipment, and operation of multicounty demonstration health projects, including hospitals, regional health diagnostic and treatment centers, and other facilities and

services necessary to health. Grants for such construction (including the acquisition of facilities and initial equipment) shall be made in accordance with the applicable provisions of title VI of the Public Health Service Act (42 U.S.C. 291–291o), the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), and other laws authorizing grants for the construction of health-related facilities, without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

"(b) No grant for the construction or equipment of any component of a demonstration health project shall exceed 80 per centum of such costs. The Federal contribution may be provided entirely from funds authorized under this section or in combination with funds provided under other Federal grant-in-aid programs for the construction or equipment of health-related facilities. Notwithstanding any provision of law limiting the Federal share in such other programs, funds authorized under this section may be used to increase Federal grants for component facilities of a demonstration health

project to a maximum of 80 per centum of the costs of such facilities.

"(c) Grants under this section for operation (including initial operating funds and operating deficits comprising among other items the costs of attracting, training, and retaining qualified personnel) of a demonstration health project, whether or not constructed with funds authorized by this section, may be made for up to 100 per centum of the costs thereof for the two-year period beginning, for each component facility or service assisted under any such operating grant, on the first day that such facility or service is in operation as a part of the project. For the next three years of operations such grants shall not exceed 50 per centum of such costs. No grants for operation of a demonstration health project shall be made after five years following the commencement of the initial grant for operation of the project. Notwithstanding section 104 of the Public Works and Economic Development Act of 1965 (79 Stat. 554), a health-related facility constructed under title I of that Act may be a component of a demonstration health project eligible for operating grant assistance under this section.

"(d) The Secretary of Health, Education, and Welfare is authorized to provide funds to the Commission for the support of its Health Advisory Committee and to make grants for expenses of planning necessary for the development and

operation of demonstration health projects for the region. The amount of any such grant shall not exceed 75 per centum of such expenses.

"(e) Not to exceed $70,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 107. Subsection (i) of section 203 of the Act, entitled "LAND STABILIZATION, CONSERVATION, AND EROSION CONTROL", is amended to read as follows:

"(i) Not to exceed $19,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 108. Section 204 of the Act, entitled "TIMBER DEVELOPMENT AND RESEARCH", is amended by striking out subsection (b) and inserting in lieu thereof the following new subsections (b) and (c):

"(b) The Secretary of Agriculture is authorized to provide technical assistance, make grants, enter into contracts, or otherwise provide funds to forest products research institutions in the region and other appropriate public and private organizations, for Appalachian hardwood products research, including investigations, studies, and demonstrations, which

will further the purposes of this Act. Funds shall be provided only for programs and projects which will contribute significantly to the development of (1) Appalachian hardwood technology, (2) new or improved uses of Appalachian hardwood resources, (3) new or improved processes or methods for producing hardwood products, or (4) new or improved markets for such products. Funds under this section shall be provided solely out of sums specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the allocation or distribution of funds pursuant to any other provision of law.

"(c) Not to exceed $4,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out the purposes of subsection (b) of this section."

SEC. 109. (a) Clause (1) of subsection (a) of section 205 of the Act, entitled "MINING AREA RESTORATION", is amended to read as follows:

"(1) make financial contributions to States in the region to seal and fill voids in abandoned coal mines and abandoned oil and gas wells, and to reclaim and rehabilitate lands affected by the strip and surface mining and processing of coal and other minerals, including lands affected by waste piles, in accordance with provisions of

the Act of July 15, 1955 (30 U.S.C. 571 et seq.), to the extent applicable, without regard to section 2(b) thereof (30 U.S.C. 572(b)) or to any provisions therein limiting assistance to anthracite coal formation, or to the Commonwealth of Pennsylvania. Grants under this paragraph shall be made wholly out of funds specifically appropriated for the purposes of carrying out this Act."

(b) Subsection (b) of such section is amended by striking out "and 1967" and inserting in lieu thereof ", 1967, 1968, and 1969", and by inserting after "restoration projects" a comma and the following: "including reasonable planning, engineering and land acquisition costs,".

(c) The first sentence of subsection (d) of such section is amended to read as follows: "Not to exceed $39,150,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 110. Subsection (g) of section 206 of the Act, entitled "WATER RESOURCE SURVEY", is amended to read as follows:

"(g) Not to exceed $2,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 111. Part A of title II of the Act is amended by inserting at the end thereof a new section as follows:

"ASSISTANCE FOR PLANNING AND OTHER PRELIMINARY EXPENSES OF PROPOSED HOUSING PROJECTS UNDER SECTION 221 OF THE NATIONAL HOUSING ACT

"SEC. 207. (a) In order to encourage and facilitate the construction or rehabilitation of housing to meet the needs of low- and moderate-income families and individuals, the Secretary of Housing and Urban Development (hereafter in this section referred to as the 'Secretary') is authorized to make grants and loans from the Appalachian Housing Fund established by this section, under such terms and conditions as he may prescribe, to nonprofit, limited dividend, or cooperative organizations, or to public bodies, for expenses of planning and of obtaining an insured mortgage for a housing construction or rehabilitation project, under section 221 of the National Housing Act (hereafter in this section referred to as 'section 221'), in any area of the Appalachian region determined by the Commission to have significant potential for future growth.

"(b) No grant under this section shall exceed 80 per centum of those administrative expenses, incident to planning a project and obtaining an insured mortgage under section 221, which the Secretary considers not to be recoverable from the proceeds of a mortgage insured under such section:

Provided, That no grant shall be made to an organization established for profit.

"(c) No loan under this section shall exceed 80 per centum of the cost of planning a project and obtaining an insured mortgage under section 221, including, but not limited to, preliminary surveys and analyses of market needs, preliminary site engineering and architectural fees, site options, Federal Housing Administration and Federal National Mortgage Association fees, and construction loan fees and discounts. Loans may be made without interest, or at any market or below market interest rate authorized for a mortgage insured under section 221: Provided, That any loan made to an organization established for profit shall bear interest at the prevailing market rate authorized for a mortgage insured under such section. The Secretary may, except in the case of a loan to an organization established for profit, waive the repayment of all or any part of a loan made under this section, including interest, which he finds the borrower is unable to recover from the proceeds of a mortgage insured under section 221.

"(d) All funds allocated to the Secretary for the purposes of this section shall be deposited in a fund which shall be known as the Appalachian Housing Fund and shall be used as a revolving fund by the Secretary for carrying out such purposes. General expenses of administration of this

section may be charged to the fund. Moneys in the fund not needed for current operation may be invested in bonds or other obligations guaranteed as to principal and interest by the United States.

"(e) Not to exceed $5,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 112. (a) Subsection (a) of section 211 of the Act, entitled "VOCATIONAL EDUCATION FACILITIES", is amended by inserting before the word "needed" in the first sentence, the following: "and for the equipment of such facilities and other school facilities".

(b) Subsection (b) of section 211 of the Act is amended to read as follows:

"(b) Not to exceed $18,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 113. Subsection (b) of section 212 of the Act, entitled "SEWAGE TREATMENT WORKS", is amended to read as follows:

"(b) Not to exceed $6,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 114. (a) Section 701(a) of the Housing Act of

1954 (40 U.S.C. 461(a)) is amended by striking out "and" at the end of clause (8) and all of clause (9) and inserting in lieu therof the following:

"(9) the Appalachian Regional Commission, for comprehensive planning for the Appalachian region as defined by section 403 of the Appalachian Regional Development Act of 1965; and

"(10) local development districts, certified under section 301 of the Appalachian Regional Development Act of 1965, for comprehensive planning for their entire areas, or for metropolitan planning, urban planning, county planning, or small municipality planning within such areas in the Appalachian region, and for planning for Appalachian regional programs."

(b) The proviso of the first sentence of section 701(b) of the Housing Act of 1954 is amended by inserting after "States" the words "and local development districts".

SEC. 115. Section 214 of the Act is amended to read as follows:

"SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

"SEC. 214. (a) In order to enable the people, States, and local communities of the region, including local development districts, to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation,

they cannot supply the required matching share, the President is authorized to provide funds to the Federal Cochairman to be used for the sole purpose of increasing the Federal contribution to projects under Federal grant-in-aid programs, as hereafter defined, above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. Funds shall be so provided for Federal grant-in-aid programs for which funds are available under the Acts authorizing such programs and shall be available without regard to any appropriation authorization ceilings in such Acts.

"(b) The Federal portion of such costs shall not be increased in excess of the percentages established by the Commission, and shall in no event exceed 80 per centum thereof.

"(c) The term 'Federal grant-in-aid programs' as used in this section means those Federal grant-in-aid programs authorized by this Act for the construction or equipment of facilities, and all other existing or future Federal grant-in-aid programs authorized by Acts other than this Act for the acquisition of land or the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Air-

port Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958. The term shall not include (A) the program for the construction of the development highway system authorized by section 201 of this Act or any other program relating to highway or road construction, or (B) any other program for which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act.

"(d) Not to exceed $97,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 116. Part B of title II of the Act is amended by inserting at the end thereof a new section as follows:

"CULTURAL PROGRAMS

"SEC. 215. (a) In order to encourage the development of the cultural resources of the region, the Chairman of the National Endowment for the Arts is authorized to make grants to assist the member States of the Commission (1) in supporting existing programs and projects (including productions) in the region which meet the standards enumerated in section 5(c) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954; 79 Stat. 846);

and (2) in developing programs and projects in the arts in such a manner as will serve all the people of the region. Such grants shall be made in accordance with the applicable provisions of section 5 of that Act, for programs and projects which are compatible with State plans approved pursuant to subsection (h) thereof, without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

"(b) No grant shall be made to a State for a workshop production (other than a workshop conducted by a school, college, or university) for which a direct or indirect admission charge is asked if the proceeds, after deducting reasonable costs, are used for purposes other than assisting the recipient to develop high standards of artistic excellence or encourage greater appreciation of the arts and humanities by the people of the region.

"(c) Not to exceed $500,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 117. (a) The first sentence of section 221 of the Act, entitled "MAINTENANCE OF EFFORT", is amended by

striking out "exclusive of Federal funds," and inserting in lieu thereof the following: "exclusive of expenditures for participation in the National System of Interstate and Defense Highways, and exclusive of local funds and Federal funds,".

(b) The second sentence of such section is amended by inserting after "Highways" the following: "and expenditures of local funds and Federal funds".

SEC. 118. Section 223 of the Act is amended to read as follows:

"PROGRAM IMPLEMENTATION

"SEC. 223. No program or project authorized under any section of this title shall be implemented until (1) applications and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this Act, and (2) the Commission has approved such program or project and has determined that it meets the applicable criteria under section 224 and will contribute to the development of the region, which determination shall be controlling."

SEC. 119. (a) Subsection (a) of section 224 of the Act, entitled "PROGRAM DEVELOPMENT CRITERIA", is amended (1) by striking out "In developing recommendations on the"

and inserting in lieu thereof: "In considering"; and (2) by striking out "within those recommendations".

(b) Subsection (b) of such section is amended by striking out clause (1) and inserting in lieu thereof the following: "(1) to assist establishments relocating from one area to another;".

SEC. 120. Section 302 of the Act, entitled "GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DEVELOPMENT DISTRICTS AND FOR RESEARCH AND DEMONSTRATION PROJECTS", is amended by (1) striking out subsections (a) through (c); (2) redesignating subsection (d) as subsection (e); and (3) inserting the following new subsections (a) through (d):

"(a) The President is authorized—

"(1) to make grants to the Commission for administrative expenses, including technical services, of local development districts, but (A) the amount of any such grant shall not exceed 75 per centum of such expenses, (B) no grants for administrative expenses shall be made for a local development district for a period in excess of three years beginning on the date the initial grant is made for such development district, and (C) the local development district contributions for administrative expenses may be in cash or in kind, fairly evaluated, including but not limited to space, equipment, and services; and

"(2) to make grants to the Commission for investigation, research, studies, technical assistance, and demonstration projects, and for training programs, but not for construction purposes, which will further the purposes of this Act.

"(b) The Commission is authorized to make a survey and study of acid pollution in the region resulting from mining activities and the effects of such pollution, in full cooperation with the Secretary of the Interior and other appropriate Federal, State, and local departments and agencies, with the objective of developing a comprehensive action program for the appropriate control, reduction, or elimination of such pollution in the region or the effects of such pollution. The Commission shall submit to the President a report, including specific recommendations for such program and for the policies under which it should be conducted, and the President shall submit the report to the Congress, together with his recommendations, not later than March 31, 1969. The study shall, among other matters—

"(1) Identify sources of acid mine pollution in the region and their type, area, ownership, and other characteristics; the relative contribution of each source; and the impact of each source on water quality in the streams affected.

"(2) Identify present and potential water-using

and other activities which are affected by acid mine pollution in the region, or originating in the region, and the economic and social costs and effects attributable to such pollution.

"(3) Identify known methods and costs for the control and abatement of acid mine pollution.

"(4) Estimate economic and social benefits, public and private, that are likely to result from reducing to various levels acid mine pollution in the streams of the region and identify the types of beneficiaries and the relative distribution of the benefits to such beneficiaries.

"(5) Consider the appropriate roles of Federal, State, and private interests in programs for the control, reduction, or elimination of acid mine pollution in the region and the relative costs which each should bear, including specifically (A) the extent, if any, to which private interests can bear the cost of such programs within the economics of mining activity, (B) the effectiveness of past action by Federal, State, and local units of government in remedying or controlling the adverse effects of acid mine pollution, (C) relationships which might be established among Federal, State, and local units of government, and with private interests, for implementing and funding such programs, and (D) the need for appropriate Federal and State legislation,

including adequate enforcement provisions, for such programs.

"(6) Formulate a program for the appropriate control, reduction, or elimination of acid mine pollution in the region, including the identification of specific objectives and costs, with due consideration to: (A) the developmental effects of the program, (B) the economic benefits of the program in relation to costs, (C) the social effects of the program, (D) the avoidance of unwarranted financial gain to private interests, and (E) the types and sources of aid required to accomplish the program.

"(c) The Commission shall, as required by the President, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the President. The records of the Commission shall be available for audit with respect to such grants by the President and the Comptroller General or their duly authorized representatives.

"(d) Not to exceed $13,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section. Not to exceed $3,000,000 of such authorization shall be available for the purposes of subsection (b)."

SEC. 121. Section 303 of the Act is amended to read as follows:

"PROJECT APPROVAL

"SEC. 303. An application for a grant or for any other assistance for a program or project under this Act shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under the Act shall be approved for assistance."

SEC. 122. Section 401 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 401. (a) In addition to the appropriations authorized in section 201 for the Appalachian development highway system and local access roads, there is hereby authorized to be appropriated to the President, to be available until expended, not to exceed $273,650,000 for the two-fiscal-year period ending June 30, 1969, to carry out this Act.

"(b) Unexpended balances of appropriations under the authorization in this section prior to amendment by the Appalachian Regional Development Act Amendments of 1967 shall be treated as having been appropriated to the President

for the purposes of this Act as amended, and shall remain available until expended: Provided, That any unexpended balances of appropriations for the purposes of section 204 prior to such amendment shall remain available for such purposes."

SEC. 123. (a) Section 403 of the Act, entitled "DEFINITION OF APPALACHIAN REGION", is amended—

(1) by inserting in the clause relating to the counties in Alabama after "Jefferson," the following: "Lamar," and after "Morgan," the following: "Pickens,"; and

(2) by inserting after the clause relating to the counties in Maryland the following:

"In Mississippi, the counties of Alcorn, Chickasaw, Choctaw, Clay, Itawamba, Kemper, Lee, Lowndes, Monroe, Noxubee, Oktibbeha, Pontotoc, Prentiss, Tippah, Tishomingo, Union, Webster, and Winston;

"In New York, the counties of Allegany, Broome, Cattaraugus, Chautauqua, Chemung, Chenango, Cortland, Delaware, Otsego, Schoharie, Schuyler, Steuben, Tioga, and Tompkins;".

(b) Such section is further amended by striking out the colon following "West Virginia" and inserting in lieu thereof

a period, and by striking out all of the remainder of such section and inserting in lieu thereof the following:

"No recommendation for any change in the definition of the Appalachian region as set forth in this section shall be proposed or considered by the Commission without a prior request by the Congress for a study of such change."

TITLE II—AMENDMENTS TO TITLE V OF THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

SEC. 201. Subsection (a) of Section 503 of the Public Works and Economic Development Act of 1965 is amended by striking the semicolon after clause (2), inserting a comma, and the following: "including the development of a comprehensive long-range economic plan approved by the Secretary;".

SEC. 202. Subsection (c) of section 505 of the Public Works and Economic Development Act of 1965 is amended by adding at the end thereof the following:

"Not to exceed $2,500,000 of the funds authorized to be appropriated by this subsection for each fiscal year shall be allocated by the Secretary to each regional commission to carry out the purposes of this section."

SEC. 203. Section 509 of the Public Works and Economic Development Act of 1965 is amended by redesignating

such section as section 510 and by inserting after section 508 the following new section 509:

"SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

"SEC. 509. *(a) In order to enable the States and other entities within economic development regions established under this Act to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the Secretary is authorized, once a comprehensive long-range economic plan established pursuant to clause (2) of section 503(a) is in effect, to provide funds pursuant to specific recommendations of each of the Federal Cochairmen of the regional commissions heretofore or hereafter established under this title, to be used for the sole purpose of increasing the Federal contribution to projects under such programs above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. No program or project authorized under this section shall be implemented until (1) applications and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this Act, and (2) the Regional Commission involved*

has approved such program or project and has determined that it meets the applicable criteria under section 504 and will contribute to the development of the region, which determination shall be controlling. Funds may be provided only for Federal grant-in-aid programs for which funds are available under the Act authorizing such programs. Funds so provided shall be available without regard to any appropriation authorization ceilings in such Act.

"(b) The Federal portion of such costs shall not be increased in excess of the percentages established by each commission, and shall in no event exceed 80 per centum thereof.

"(c) The term 'Federal grant-in-aid programs' as used in this section means all existing or future Federal grant-in-aid programs assisting in the acquisition of land or the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by title I of this Act and by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; and

National Defense Education Act of 1958. The term shall not include any program in which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this section, and shall not be taken into account in the computation of allocations among the States made pursuant to any other provision of law.

"(d) There is hereby authorized to be appropriated to the Secretary for each of the regional commissions for the purposes of this section the sum of $5,000,000 for the period ending June 30, 1968, and the sum of $10,000,000 for the fiscal year ending June 30, 1969.

"(e) Any amounts appropriated under this section shall remain available until expended, and any amounts authorized for any fiscal year under this section but not appropriated may be appropriated for any succeeding fiscal year commencing prior to July 1, 1970.

"(f) An application for a grant under this section shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for programs and projects which are approved by a State member

as meeting the requirements for assistance under this section shall be approved for assistance."

Amend the title so as to read: "A bill to revise and extend the Appalachian Regional Development Act of 1965, and to amend title V of the Public Works and Economic Development Act of 1965."

Calendar No. 161

90TH CONGRESS
1ST SESSION

S. 602

[Report No. 159]

A BILL

To revise and extend the Appalachian Regional Development Act of 1965.

By Mr. RANDOLPH, Mr. COOPER, Mr. BAKER, Mr. BARTLETT, Mr. BAYH, Mr. BREWSTER, Mr. CLARK, Mr. DODD, Mr. EASTLAND, Mr. ERVIN, Mr. GRUENING, Mr. HART, Mr. HARTKE, Mr. HILL, Mr. INOUYE, Mr. JAVITS, Mr. JORDAN of North Carolina, Mr. KENNEDY of Massachusetts, Mr. KENNEDY of New York, Mr. LAUSCHE, Mr. MONTOYA, Mr. MORSE, Mr. MORTON, Mr. MOSS, Mr. PELL, Mr. RIBICOFF, Mr. RUSSELL, Mr. SCOTT, Mr. SPARKMAN, Mr. SPONG, Mr. STENNIS, Mr. TYDINGS, Mr. YARBOROUGH, and Mr. YOUNG of Ohio

JANUARY 23 (legislative day, JANUARY 19), 1967
Read twice and referred to the Committee on Public Works

APRIL 6, 1967
Reported with amendments

S. 502

A BILL

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued April 17, 1967
For actions of April 14, 1967
90th-1st; No. 56

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HIGHLIGHTS: Sen. Ellender reported on his Latin America tour. Sen. Clark introduced and discussed proposed Economic Opportunity Act of 1967.

SENATE

1. FOREIGN AID. Sen. Ellender reported on his Latin America tour made during the adjournment of Congress last fall (S. Doc. 18). pp. S5105-31
   Passed without amendment S. J. Res. 56, to authorize the President to designate Oct. 31 of each year as National UNICEF Day. pp. S5183-4

2. DAIRY PRICES. Sen. Nelson urged that the dairy farmers be included in any price increases in the fluid milk market and inserted a letter to Secretary Freeman on this subject. pp. S5209-10

3. INTERGOVERNMENTAL RELATIONS. Sen. Muskie spoke in favor of S. 699 and S. 1488, to improve intergovernmental cooperation on grant-in-aid programs, and stated, "The United States has reached a point where 'creative federalism' must search for new initiatives, new ways of solving old and new social and economic problems."p. S5220

4. MEAT IMPORTS. Sen. Hruska urged Congress to restrict meat import and announced he would introduce a proposal for this purpose in the next few days. pp. S525-7

5. TRUTH-IN-LENDING. Sen. Proxmire inserted former Sen. Paul Douglas' testimony supporting S. 5, the truth-in-lending bill. pp. 85215-9

6. PERSONNEL. Sen. Long, Mo., inserted an article relating to S. 928, the proposed Right of Privacy Act of 1967. pp. S5201-3

7. TRAVEL. Passed without amendment S. J. Res. 57, authorizing and requesting the President to extend through 1967 his proclamation of a period to "See the United States." p. S5184

8. EXPOSITION. Passed with amendment S. J. Res. 10, to establish the Golden Spike Centennial Celebration Commission. pp. S5182-3

9. CREDIT UNIONS. Passed with amendment S. 714, to increase the amount Federal credit unions may lend to their directors and members of supervisory and credit committees. pp. S5176-7

10. USER CHARGES. Received from this Department a proposed bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to authorize user charges to cover the cost of registering or reregistering economic poisons by the USDA; to Agriculture and Forestry Committee. p. S5131

11. TAXATION. Continued debate on H. R. 6950, to restore investment tax credit and allowance of accelerated depreciation in the case of certain real property. pp. S5222-33, S5238-51

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12. APPALACHIA. The Public Works Committee reported with amendments (Apr. 6) S. 602, to revise and extend the Appalachian Regional Development Act of 1965. The bill as reported contains no sweeping changes in the original legislation. Additional Federal programs would be included under the umbrella of the Appalachian Regional Commission. Among these are technical assistance grants and loans to encourage low-and moderate-income housing under the provisions of section 221 of the Housing Act of 1954, the extension of the availability of planning money under section 701 of the Housing Act of 1954 to the so-called local development districts, timber products research, the development of a program for mine acid pollution control, and cultural program assistance. The bill as reported authorizes the appropriation of $273,650,000 exclusive of the Appalachian Development Highway System for the 2-fiscal-years period ending June 30, 1969. The major portion of the increase in appropriation results from the inclusion of four new programs--hardwood timber products research, technical assistance for housing, development of a mine acid pollution control program, and cultural program assistance. This appropriation would be made to the President.

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250
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U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
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HIGHLIGHTS: House debated Interior appropriation bill. Senate debated Appalachian development bill. Rep. Langen inserted Republican task force statement on agriculture. Rep. Fino introduced and discussed commodity futures bill.

SENATE

1. APPALACHIA. Began debate on S. 602, to revise and extend the Appalachian Regional Development Act of 1965. pp. S5924-8, S5934-41

2. TAXATION. Continued debate on H. R. 6950, to restore investment tax credit and allowance of accelerated depreciation in the case of certain real property. pp. S5907, S5917-24, S5928-34

3. COSPONSORS. Cosponsors were added as follows to various bills: Sen. Cotton to S. 612, the dairy import bill, Sen. Hill to S. 1485, the intergovernmental manpower bill, Sen. Hartke to S. 1446, the orderly marketing bill, and Sens. Bible, Talmadge and McCarthy to S. 1588, the meat products import quota control bill. p. S5876

4. FLAG. Sen. Byrd, W. Va., spoke in support of legislation to prohibit desecration of the flag. pp. S5877-8

5. TRUTH IN LENDING. Rep. Proxmire inserted a FTC report supporting truth in lending legislation. pp. S5878-9
Sen. Mondale inserted the testimony of Shelby Southard endorsing the truth in lending legislation. p. S5891

6. 4-H CLUBS. Sen. Mansfield commended the work of the 4-H Clubs and inserted articles by its members, "What 4-H Has Meant to Me." pp. S5880-1

7. REA. Sen. Yarborough inserted an article commending the rural electrification program and discussing the "problems" it faces in the future. p. S5886

8. RESEARCH. Sen. McCarthy commended and inserted a speech by Secretary Freeman, "Agricultural Science in the Science Community." pp. S5888-90

9. NATIONAL GRANGE. Sen. Muskie saluted the National Grange on its 100th anniversary and inserted Secretary Freeman's speech at the unveiling ceremony of a commemorative stamp. pp. S5892-3

10. HOUSING. Sen. Muskie inserted Sen. Sparkman's address on proposed housing legislation in which he stated, "A research and development program for housing is long overdue..." pp. S5893-5

11. FARM LABOR. Sen. McCarthy stated that the conditions of domestic migratory workers have improved substantially and inserted an article, "Bracero Boomerang: All the Predictions About Ending the Program Were Wrong." pp. S5899-900

12. FOOD STAMPS. Sen. Byrd, W. Va., urged an indefinite continuation of the Federal food stamp program "so that this vital assistance to needy families may be provided on a stabilized basis." pp. S5907-17

HOUSE

13. INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, 1968 (Includes Forest Service). Began debate on this bill, H. R. 9029 (pp. H4726-68).
Rejected the following amendments:
By Rep. Riegle, to reduce the appropriations for the Office of the Secretary of the Interior and the Fine Arts Commission (pp. H4650-4); and the Smithsonian Institution (pp. H4664-6).
By Rep. Hall to reduce the appropriations for the National Foundation on the Arts and Humanities (pp. H4654-64).
By Rep. Jonas, to reduce by 2 percent the funds for the jobs to be filled next fiscal year by the Interior Department (pp. H4665-6).

manent appropriation. The Long amendment, which received a majority vote by four votes, did provide for a permanent appropriation. But we do not have it now. All we have is the authorization to transfer some money from one account to another but the Secretary of the Treasury cannot make payment from the fund until authorized by congressional appropriation acts. The act then provides that if all the money is not paid out of the fund, it goes back to the general fund of the Treasury.

All we have here is an act on the books which invite a taxpayer to pay a dollar of his tax money to be equally divided between the Democratic and Republican candidates.

If I can amend the law, I will fix it up so that if George Wallace—or any minor party's candidate—gets 2 million votes, he will get a few dollars from this fund.

Mr. GORE. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. Not yet.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I will not yield to anybody before I get through.

Before I get interrupted again, I want to say something about the corrupting influence of money.

Mr. President, if I as a taxpayer say that I want $1 of my money to be paid to the Democratic and Republican candidates, 50 cents to each candidate, does anyone think that I bought those fellows? I contributed equally to both. I contributed 50 cents for Romney and 50 cents for Johnson, or whoever might be running.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. Not yet.

How could I have bought them for 50 cents? Where does the corrupting influence come in? The corrupting influence does not come in when 60 million people put up $1 apiece. It comes in when one man puts up $1 million.

The corrupt influence of money comes into play where large amounts of money are involved as contributions.

When a man is faced with the need for $30 million with which to run a campaign race and his opponent has more money than that, that is when people make commitments that they never should make.

That is what I am trying to prevent. I am trying to fix it so that it will never again be necessary for a Republican or Democratic candidate to make a single promise that would separate him from his own conscience. That is the purpose.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. No. I will be through in about 5 minutes. Point No. 2——

Mr. SCOTT. Mr. President, at the end of 5 minutes, I will suggest the absence of a quorum.

Mr. LONG of Louisiana. I will yield in 5 minutes.

The PRESIDING OFFICER. The Senator from Louisiana has the floor.

Mr. LONG of Louisiana. Mr. President, what will we do about George Wallace and Martin Luther King? George Wallace is threatening to run for President, and so is Martin Luther King. What will we do?

If I have my way, we will amend the Act so that if either one gets more than 2 million votes, he would be eligible to get financial assistance to help reimburse him for out-of-pocket expenses for every vote more than 2 million.

The last time we had a real serious third party challenge was when Henry Wallace and STROM THURMOND ran.

STROM THURMOND got about 1,200,000 votes, and Henry Wallace got about 1,100,000 votes. Their combined vote was 2,300,000 roughly.

I would think that if a man runs as a third party candidate and gets more votes than Henry Wallace and STROM THURMOND put together, he ought to be eligible to have a little financial assistance to help pay for such things as radio and television expenses.

If we can keep what we have presently on the statute books, we will then be able to provide a little financial assistance for television, radio, and newspaper advertising, and the transportation expenses of the candidate himself, whether it be the Truman train or Air Force No. 1, to get the man around the countryside so that he can convey his story to the public and the public will be able to make an honest judgment about the candidate.

I know that the Senator from Maryland [Mr. TYDINGS] thought this was a little too much money and he wanted to trim down the amount of money. He wanted to limit the amount of money. He does not want to make it possible for the money to be handed to some ward heeler so that the fellow can go away with it. The Senator was very wise about that. We are 100 percent with him on that.

The act already makes provision for that. A person can go to the penitentiary for doing that. However, the Senator from Maryland [Mr. TYDINGS] wants to be absolutely sure that nothing of this sort will happen.

We are willing to do that. I said I will accept the amendment. That is, when we come out of the committee.

The Senator from Tennessee said: "Where does the taxpayer have a choice? Where in law does the taxpayer have any choice concerning what his money is to be used for?"

The Senator then proceeded to give some of the examples where the taxpayer has that choice.

For example, when he buys a duck stamp. Nobody makes him buy a duck stamp. If he goes down and buys a duck stamp, the law says that the money goes into a special fund to maintain a supply of ducks for hunting. When a man buys a gallon of gasoline, part of the money goes into the highway trust fund, so ably put into the law by the Senator from Tennessee. The man does not have to buy the gasoline. During the war my uncle Dave fixed his automobile so it operated on butane gas. He paid absolutely no taxes on gasoline to move his automobile around during World War II.

Now there is a recommendation by the President for a fund for highway beautification. When anybody buys a car, he will pay something into the beautification fund through the excise tax.

The Senator from Tennessee says that under my proposal, third-party candidates would be left penniless. Not at all. They would have available to them the same sources of private contributions that exist now, and a lot more up to $60 million more that no longer will be needed by the major parties.

It does not hurt George Wallace. But if I had my way, we would provide that George Wallace, Martin Luther King, or anybody else who gets a certain number of votes—I would think that 2 million votes would be a fair number, and that is what the Senator from Delaware proposed—could get some help.

In 1956, the Senator from Tennessee studied this whole matter, and after he studied it with great deliberation and thoroughness, he gave us a report which is now out of print; I wish we could get some more copies, but somebody seems to object to it. It is a potential best-seller. There are more potential campaign contributors in the Gore report, alphabetically, than anywhere else in America. It is out of print, and everybody is trying to get a copy, especially professional politicians.

In his findings, the findings of the subcommittee as set forth in this report, it says that this poignantly demonstrates the need for effective limitations upon the amount of individual contributions.

Now, let me read on:

> And the desirability of providing incentives for mass contributions.

Let me read those four words again: "incentives for mass contributions."

That is ALBERT GORE speaking—not in 1967. That is ALBERT GORE in 1956. Oh, how times have changed in 11 years. The desirability of providing incentives for mass contributions.

Now let me read this, good brother:

> Or perhaps government assumption of the cost and responsibility for the conduct of Federal election campaigns and the curtailment of private subsidization of election campaigns.

Imagine that. To think I have lived so long——

Mr. SCOTT. Now that the gentleman has lived so long, will he yield to me at this point?

Mr. LONG of Louisiana. I yield for a question or a brief statement.

I ask unanimous consent that I may yield without prejudicing my rights, Mr. President.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. SCOTT. The Senator from Louisiana has had the floor since the 23d of March. I would not want to deprive him now.

Mr. LONG of Louisiana. Not by myself. I have had some help.

Mr. SCOTT. I should like to ask the Senator some questions.

If there is a deduction of a dollar, and the Senator from Louisiana has said that 50 cents would go to one party and 50 cents to the other, I should like to ask him why the taxpayer has to put 50 cents on the horse he does not want to win.

Mr. LONG of Louisiana. I think that is very important, if you are going to try to fix it so that no matter who is elected, he need not be the kept cat of any vested interest. And I should like to do that.

When the campaign opens, how is John Q. Public, who has not heard any of these candidates, going to know which side to vote for? But I want to know that whomever I vote for and whoever is elected President is not the hireling of Wall Street. I want him to be a freeman and to vote for his own convictions and to represent everybody. I do not want anybody to have a special hammerhold on him, even though I did not vote for him. I want him to be a freeman, to do what he thinks is right. How do I know who I want to vote for before I hear the arguments of both sides?

So we said: "Let's just fix it up so that we will find out how many votes these two major parties received, subtract 5 million for each, multiply that by $1, and split it evenly. Both sides will have an equal chance to be heard, and then we'll know how we want to vote. And no matter which way we vote, even if the man we vote against should win the election, we would like him to be free to do whatever he thinks is right and not have to commit himself to anything in order to obtain campaign money."

Mr. SCOTT. My second question to the Senator is to ask him if he has not, in discussing his fears that somebody will be corrupted by a million dollars, failed in his provisions to provide against the million dollars. He allows anybody to contribute anything they want and just comingle with the taxpayer's dollar. The Senator has made no provision to avoid the very thing that he announces he fears the most.

Mr. LONG of Louisiana. I am glad the Senator brought up that point.

Mr. SCOTT. I am sure the Senator is.

Mr. LONG of Louisiana. I might have overlooked it.

What I have tried to explain to everybody who spoke to me about this is that I started out to provide a way that both sides could be honestly financed, with no special advantage toward anyone. I said that I, personally, would like to limit both sides to money made available under this act.

However, historically, the Republicans have had much more money than the Democratic candidate has had. If I had tried at that point to outlaw these private contributions that the Senator fears could influence and corrupt government—and I believe they do—I might have run into bitter resistance and even a filibuster from the Republican side of the aisle.

I said: "Let us provide an honest way to finance an election, and when you provide this financing, then there is no real basis for anyone to make any improper commitment."

Mr. SYMINGTON. Mr. President, will the Senator yield to me for 5 minutes?

Mr. LONG of Louisiana. I shall yield when I finish.

So a man may say: "We want to back you with some money. We're not for you but we want to be sure that if you go in, you're not going to mess around with our monopoly."

In a case like that, the candidate could say: "Forget about it. I don't think that would be proper, and I'm not going to make any commitment to you."

And he need not worry about financing his campaign. It is financed anyway. Maybe he would have $5 million more, if he were to make such a commitment, but he need not worry about that.

Furthermore, if I have my way, we are going to proceed to outlaw these private contributions for the purposes outlined in my amendment. We are going to limit the use of the funds to such things as the means of communications and the transportation of the presidential candidate, and outlaw the use of this money for other purposes; that is in the amendment for which the Senate voted. It is in S. 1407. I am on record for that.

Mr. President, the Senator from Missouri [Mr. SYMINGTON] wishes to make a statement; and I ask unanimous consent that I may yield to the Senator from Missouri for such time as he requires, without prejudice to my rights.

Mr. MANSFIELD. Mr. President, will the Senator yield to me briefly.

Mr. LONG of Louisiana. I yield.

Mr. MANSFIELD. Mr. President, is it certain that we do have a time limitation on the pending motion on Tuesday next?

The PRESIDING OFFICER. The Senator is correct.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside.

The PRESIDING OFFICER. Without objection, H.R. 6950 will be temporarily laid aside.

EXTENSION OF APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 161, S. 602, so that we will have some business pending. This is a bill on which the distinguished Senator from West Virginia [Mr. RANDOLPH], his equally distinguished colleague from West Virginia [Mr. BYRD], the equally distinguished Senator from Pennsylvania [Mr. SCOTT], and the equally distinguished Senator from Tennessee [Mr. BAKER] would like to make comments on tonight.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 602) to revise and extend the Appalachian Regional Development Act of 1965.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Public Works with an amendment to strike out all after the enacting clause and insert:

TITLE I—APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1967

SEC. 101. This title may be cited as the "Appalachian Regional Development Act Amendments of 1967".

SEC. 102. Section 102 of the Appalachian Regional Development Act of 1965 (hereinafter in this title referred to as "the Act") is amended (1) by inserting "and" at the end of clause (7); (2) by striking out the semicolon and the word "and" at the end of clause (8) and inserting in lieu of thereof a period; and (3) by striking out clause (9).

SEC. 103. Section 105 of the Act is amended to read as follows:

"ADMINISTRATIVE EXPENSES OF THE COMMISSION

"SEC. 105. (a) For the period ending on June 30, 1967, the administrative expenses of the Commission shall be paid by the Federal Government. Thereafter, such expenses shall be paid 50 per centum by the Federal Government and 50 per centum by the States in the region, except that the expenses of the Federal Cochairman, his alternate, and his staff shall be paid solely by the Federal Government. The share to be paid by each State shall be determined by the Commission. The Federal Cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

"(b) To carry out this section, there is hereby authorized to be appropriated to the Commission, to be available until expended, not to exceed $1,700,000 for the two-fiscal-year period ending June 30, 1969. Not to exceed $400,000 of such authorization shall be available for the expenses of the Federal Cochairman, his alternate, and his staff. Unexpended balances of appropriations under the authorization in this section prior to amendment by the Appalachian Regional Development Act Amendments of 1967 shall remain available for the purposes of this section, as amended, until expended."

SEC. 104. Clause (7) of section 106 of the Act, entitled "ADMINISTRATIVE POWERS OF THE COMMISSION", is amended to read as follows:

"(7) enter into and perform such contracts, leases (including, notwithstanding any other provision of law, the lease of office space for any term expiring no later than June 30, 1971), cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States (which is hereby so authorized to the extent not otherwise prohibited by law) or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation."

SEC. 105. Section 201 of the Act is amended to read as follows:

"APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

"SEC. 201. (a) In order to provide a highway system which, in conjunction with the Interstate System and other Federal-aid highways in the Appalachian region, will open up an area or areas with a developmental potential where commerce and communication have been inhibited by lack of adequate access, the Secretary of Transportation (hereafter in this section referred to as the 'Secretary') is authorized to assist in the construction of an Appalachian development highway system and local access roads serving the Appalachian region. The provisions of title 23, United States Code, that are applicable to the construction and maintenance of Federal-aid primary and secondary highways, and which the Secretary determines are not inconsistent with this Act, shall apply, respectively, to the development highway system and the local access roads. Construction on the development highway system shall not exceed two thousand seven hundred miles. Construction of local access roads shall not exceed two thousand miles that will serve specific recreational, residential, educational, commercial, industrial, or other like facilities or will facilitate a school consolidation program.

"(b) The Commission shall transmit to the Secretary its designations of (1) the general

corridor location and termini of the development highways, (2) local access roads to be constructed, (3) priorities for the construction of segments of the development highways, and (4) other criteria for the program authorized by this section. Before any State member participates in or votes on such designations, he shall have obtained the recommendations of the State highway department of the State which he represents.

"(c) In no event shall the Secretary assist in any construction (including right-of-way acquisition) which would require for its completion the expenditure of Federal funds (other than funds available under title 23, United States Code) in excess of appropriations authorization in subsection (g). On its completion each development highway not already on the Federal-aid primary system shall be added to such system and each development highway and local access road shall be required to be maintained by the State as provided for Federal-aid highways in title 23, United States Code.

"(d) In the construction of highways and roads authorized under this section, the States may give special preference to the use of materials and products indigenous to the Appalachian region.

"(e) For the purposes of research and development in the use of coal and coal products in highway construction and maintenance, the Secretary shall require each participating State, to the maximum extent possible, to use coal derivatives in the construction of not to exceed 10 per centum of the roads authorized under this Act.

"(f) Federal assistance to any construction project under this section shall not exceed 50 per centum of the costs of such project, unless the Commission determines that assistance in excess of such percentage is required in furtherance of the purposes of this Act, but in no event shall such Federal assistance exceed 70 per centum of such costs.

"(g) To carry out this section, there is hereby authorized to be appropriated to the President, to be available until expended, $715,000,000 for the four-fiscal year period ending June 30, 1971. Unexpended balances of appropriations to the Secretary of Commerce under the authorization in this section prior to amendment by the Appalachian Regional Development Act Amendments of 1967 shall be treated as having been appropriated to the President for the purposes of this section, as amended, and shall remain available until expended.

"(h)(1) When a participating State proceeds to construct a segment of a development highway without the aid of Federal funds, in accordance with all procedures and requirements applicable to the construction of segments of Appalachian development highways with such funds, except insofar as such procedures and requirements limit a State to the construction of projects for which Federal funds have previously been appropriated, the Secretary, upon application by the State and after approval of the project by the Commission under section 223(2) of this Act, shall pay to the State the Federal share not to exceed 70 per centum of the costs of construction of such segment, from any sums appropriated to carry out this section.

"(2) This subsection shall not be construed as a commitment or obligation on the part of the United States to provide funds for segments of development highways constructed under this subsection, and shall not increase the limitation on construction in subsection (c)."

SEC. 106. Section 202 of the Act is amended to read as follows:

"DEMONSTRATION HEALTH PROJECTS

"SEC. 202. (a) In order to demonstrate the value of adequate health facilities and services to the economic development of the region, the Secretary of Health, Education, and Welfare is authorized to make grants for the planning, construction, equipment, and operation of multicounty demonstration health projects, including hospitals, regional health diagnostic and treatment centers, and other facilities and services necessary to health. Grants for such construction (including the acquisition of facilities and initial equipment) shall be made in accordance with the applicable provisions of title VI of the Public Health Service Act (42 U.S.C. 291–291o), the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), and other laws authorizing grants for the construction of health-related facilities, without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

"(b) No grant for the construction or equipment of any component of a demonstration health project shall exceed 80 per centum of such costs. The Federal contribution may be provided entirely from funds authorized under this section or in combination with funds provided under other Federal grant-in-aid programs for the construction or equipment of health-related facilities. Notwithstanding any provision of law limiting the Federal share in such other programs, funds authorized under this section may be used to increase Federal grants for component facilities of a demonstration health project to a maximum of 80 per centum of the costs of such facilities.

"(c) Grants under this section for operation (including initial operating funds and operating deficits comprising among other items the costs of attracting, training, and retaining qualified personnel) of a demonstration health project, whether or not constructed with funds authorized by this section, may be made for up to 100 per centum of the costs thereof for the two-year period beginning, for each component facility or service assisted under any such operating grant, on the first day that such facility or service is in operation as a part of the project. For the next three years of operations such grants shall not exceed 50 per centum of such costs. No grants for operation of a demonstration health project shall be made after five years following the commencement of the initial grant for operation of the project. Nothwithstanding section 104 of the Public Works and Economic Development Act of 1965 (79 Stat. 554), a health-related facility constructed under title I of that Act may be a component of a demonstration health project eligible for operating grant assistance under this section.

"(d) The Secretary of Health, Education, and Welfare is authorized to provide funds to the Commission for the support of its Health Advisory Committee and to make grants for expenses of planning necessary for the development and operation of demonstration health projects for the region. The amount of any such grant shall not exceed 75 per centum of such expenses.

"(e) Not to exceed $70,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 107. Subsection (i) of section 203 of the Act, entitled "LAND STABILIZATION, CONSERVATION, AND EROSION CONTROL", is amended to read as follows:

"(i) Not to exceed $19,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 108. Section 204 of the Act, entitled "TIMBER DEVELOPMENT AND RESEARCH", is amended by striking out subsection (b) and inserting in lieu thereof the following new subsections (b) and (c):

"(b) The Secretary of Agriculture is authorized to provide technical assistance, make grants, enter into contracts, or otherwise provide funds to forest products research institutions in the region and other appropriate public and private organizations, for Appalachian hardwood products research, including investigations, studies, and demonstrations, which will further the purposes of this Act. Funds shall be provided only for programs and projects which will contribute significantly to the development of (1) Appalachian hardwood technology, (2) new or improved uses of Appalachian hardwood resources, (3) new or improved processes or methods for producing hardwood products, or (4) new or improved markets for such products. Funds under this section shall be provided solely out of sums specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the allocation or distribution of funds pursuant to any other provision of law.

"(c) Not to exceed $4,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out the purposes of subsection (b) of this section."

SEC. 109. (a) Clause (1) of subsection (a) of section 205 of the Act, entitled "MINING AREA RESTORATION", is amended to read as follows:

"(1) make financial contributions to States in the region to seal and fill voids in abandoned coal mines and abandoned oil and gas wells, and to reclaim and rehabilitate lands affected by the strip and surface mining and processing of coal and other minerals, including lands affected by waste piles, in accordance with provisions of the Act of July 15, 1955 (30 U.S.C. 571 et seq.) to the extent applicable, without regard to section 2(b) thereof (30 U.S.C. 572(b)) or to any provisions therein limiting assistance to anthracite coal formation, or to the Commonwealth of Pennsylvania. Grants under this paragraph shall be made wholly out of funds specifically appropriated for the purposes of carrying out this Act."

(b) Subsection (b) of such section is amended by striking out "and 1967" and inserting in lieu thereof, "1967, 1968, and 1969", and by inserting after "restoration projects" a comma and the following: "including reasonable planning, engineering and land acquisition costs,".

(c) The first sentence of subsection (d) of such section is amended to read as follows: "Not to exceed $39,150,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 110. Subsection (g) of section 206 of the Act, entitled "WATER RESOURCE SURVEY", is amended to read as follows:

"(g) Not to exceed $2,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 111. Part A of title II of the Act is amended by inserting at the end thereof a new section as follows:

"ASSISTANCE FOR PLANNING AND OTHER PRELIMINARY EXPENSES OF PROPOSED HOUSING PROJECTS UNDER SECTION 221 OF THE NATIONAL HOUSING ACT

"SEC. 207. (a) In order to encourage and facilitate the construction or rehabilitation of housing to meet the needs of low- and moderate-income families and individuals, the Secretary of Housing and Urban Development (hereafter in this section referred to as the 'Secretary') is authorized to make grants and loans from the Appalachian Housing Fund established by this section, under such terms and conditions as he may prescribe, to nonprofit, limited dividend, or cooperative organizations, or to public bodies, for ex-

penses of planning and of obtaining an insured mortgage for a housing construction or rehabilitation project, under section 221 of the National Housing Act (hereafter in this section referred to as 'section 221'), in any area of the Appalachian region determined by the Commission to have significant potential for future growth.

"(b) No grant under this section shall exceed 80 per centum of those administrative expenses, incident to planning a project and obtaining an insured mortgage under section 221, which the Secretary considers not to be recoverable from the proceeds of a mortgage insured under such section: *Provided,* That no grant shall be made to an organization established for profit.

"(c) No loan under this section shall exceed 80 per centum of the cost of planning a project and obtaining an insured mortgage under section 221, including, but not limited to, preliminary surveys and analyses of market needs, preliminary site engineering and architectural fees, site options, Federal Housing Administration and Federal National Mortgage Association fees, and construction loan fees and discounts. Loans may be made without interest, or at any market or below market interest rate authorized for a mortgage insured under section 221: *Provided,* That any loan made to an organization established for profit shall bear interest at the prevailing market rate authorized for a mortgage insured under such section. The Secretary may, except in the case of a loan to an organization established for profit, waive the repayment of all or any part of a loan made under this section, including interest, which he finds the borrower is unable to recover from the proceeds of a mortgage insured under section 221.

"(d) All funds allocated to the Secretary for the purposes of this section shall be deposited in a fund which shall be known as the Appalachian Housing Fund and shall be used as a revolving fund by the Secretary for carrying out such purposes. General expenses of administration of this section may be charged to the fund. Moneys in the fund not needed for current operaiton may be invested in bonds or other obligations guaranteed as to principal and interest by the United States.

"(e) Not to exceed $5,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 112. (a) Subsection (a) of section 211 of the Act, entitled "VOCATIONAL EDUCATION FACILITIES", is amended by inserting before the word "needed" in the first sentence, the following: "and for the equipment of such facilities and other school facilities".

(b) Subsection (b) of section 211 of the Act is amended to read as follows:

"(b) Not to exceed $18,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 113. Subsection (b) of section 212 of the Act, entitled "SEWAGE TREATMENT WORKS", is amended to read as follows:

"(b) Not to exceed $6,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 114. (a) Section 701(a) of the Housing Act of 1954 (40 U.S.C. 461(a)) is amended by striking out "and" at the end of clause (8) and all of clause (9) and inserting in lieu thereof the following:

"(9) the Appalachian Regional Commission, for comprehensive planning for the Appalachian region as defined by section 403 of the Appalachian Regional Development Act of 1965; and

"(10) local development districts, certified under section 301 of the Appalachian Regional Development Act of 1965, for comprehensive planning for their entire areas, or for metropolitan planning, urban planning, county planning, or small municipality planning within such areas in the Appalachian region, and for planning for Appalachian regional programs."

(b) The proviso of the first sentence of section 701(b) of the Housing Act of 1954 is amended by inserting after "States" the words "and local development districts".

SEC. 115. Section 214 of the Act is amended to read as follows:

"SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

"SEC. 214. (a) In order to enable the people, States, and local communities of the region, including local development districts, to take maximum advantage of Federal grant-in-aid programs (as hereinafter defincd) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the President is authorized to provide funds to the Federal Cochairman to be used for the sole purpose of increasing the Federal contribution to projects under Federal grant-in-aid programs, as hereafter defined, above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. Funds shall be so provided for Federal grant-in-aid programs for which funds are available under the Acts authorizing such programs and shall be available without regard to any appropriation authorization ceilings in such Acts.

"(b) The Federal portion of such costs shall not be increased in excess of the percentages established by the Commission, and shall in no event exceed 80 per centum thereof.

"(c) The term 'Federal grant-in-aid programs' as used in this section means those Federal grant-in-aid programs authorized by this Act for the construction or equipment of facilities, and all other existing or future Federal grant-in-aid programs authorized by Acts other than this Act for the acquisition of land or the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958. The term shall not include (A) the program for the construction of the development highway system authorized by section 201 of this Act or any other program relating to highway or road construction, or (B) any other program for which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act.

"(d) Not to exceed $97,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 116. Part B of title II of the Act is amended by inserting at the end thereof a new section as follows:

"CULTURAL PROGRAMS

"SEC. 215. (a) In order to encourage the development of the cultural resources of the region, the Chairman of the National Endowment for the Arts is authorized to make grants to assist the member States of the Commission (1) in supporting existing programs and projects (including productions) in the region which meet the standards enumerated in section 5(c) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954; 79 Stat. 846); and (2) in developing programs and projects in the arts in such a manner as will serve all the people of the region. Such grants shall be made in accordance with the applicable provisions of section 5 of that Act, for programs and projects which are compatible with State plans approved pursuant to subsection (h) thereof, without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

"(b) No grant shall be made to a State for a workshop production (other than a workshop conducted by a school, college, or university) for which a direct or indirect admission charge is asked if the proceeds, after deducting reasonable costs, are used for purposes other than assisting the receipient to develop high standards of artistic excellence or encourage greater appreciation of the arts and humanities by the people of the region.

"(c) Not to exceed $500,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 117. (a) The first sentence of section 221 of the Act, entitled "MAINTENANCE OF EFFORT", is amended by striking out "exclusive of Federal funds," and inserting in lieu thereof the following: "exclusive of expenditures for participation in the National System of Interstate and Defense Highways, and exclusive of local funds and Federal funds,".

(b) The second sentence of such section is amended by inserting after "Highways" the following: "and expenditures of local funds and Federal funds".

SEC. 118. Section 223 of the Act is amended to read as follows:.

"PROGRAM IMPLEMENTATION

"SEC. 223. No program or project authorized under any section of this title shall be implemented until (1) applications and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this Act, and (2) the Commission has approved such program or project and has determined that it meets the applicable criteria under section 224 and will contribute to the development of the region, which determination shall be controlling."

SEC. 119. (a) Subsection (a) of section 224 of the Act, entitled "PROGRAM DEVELOPMENT CRITERIA", is amended (1) by striking out "In developing recommendations on the" and inserting in lieu thereof: "In considering"; and (2) by striking out "within those recommendations".

(b) Subsection (b) of such section is amended by striking out clause (1) and inserting in lieu thereof the following: "(1) to assist establishments relocating from one area to another;".

SEC. 120. Section 302 of the Act, entitled "GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DEVELOPMENT DISTRICTS AND FOR RESEARCH AND DEMONSTRATION PROJECTS", is amended by (1) striking out subsections (a) through (c); (2) redesignating subsection (d) as subsection (e); and (3) inserting the following new subsections (a) through (d):

"(a) The President is authorized—

"(1) to make grants to the Commission for administrative expenses, including technical services, of local development districts, but (A) the amount of any such grant shall not exceed 75 per centum of such expenses, (B) no grants for administrative expenses shall be made for a local development district for a period in excess of three years beginning on the date the initial grant is made for such development district, and (C) the local development district contributions for administrative expenses may be in cash or in kind, fairly evaluated, including but not limited to space, equipment, and services; and

"(2) to make grants to the Commission

for investigation, research, studies, technical assistance, and demonstration projects, and for training programs, but not for construction purposes, which will further the purposes of this Act.

"(b) The Commission is authorized to make a survey and study of acid pollution in the region resulting from mining activities and the effects of such pollution, in full cooperation with the Secretary of the Interior and other appropriate Federal, State, and local departments and agencies, with the objective of developing a comprehensive action program for the appropriate control, reduction, or elimination of such pollution in the region or the effects of such pollution. The Commission shall submit to the President a report, including specific recommendations for such program and for the policies under which it should be conducted, and the President shall submit the report to the Congress, together with his recommendations, not later than March 31, 1969. The study shall, among other matters—

"(1) Identify sources of acid mine pollution in the region and their type, area, ownership, and other characteristics; the relative contribution of each source; and the impact of each source on water quality in the streams affected.

"(2) Identify present and potential water-using and other activities which are affected by acid mine pollution in the region, or originating in the region, and the economic and social costs and effects attributable to such pollution.

"(3) Identify known methods and costs for the control and abatement of acid mine pollution.

"(4) Estimate economic and social benefits, public and private, that are likely to result from reducing to various levels acid mine pollution in the streams of the region and identify the types of beneficiaries and the relative distribution of the benefits to such beneficiaries.

"(5) Consider the appropriate roles of Federal, State, and private interests in programs for the control, reduction, or elimination of acid mine pollution in the region and the relative costs which each should bear, including specifically (A) the extent, if any, to which private interests can bear the cost of such programs within the economics of mining activity, (B) the effectiveness of past action by Federal, State, and local units of government in remedying or controlling the adverse effects of acid mine pollution, (C) relationships which might be established among Federal, State, and local units of government, and with private interests, for implementing and funding such programs, and (D) the need for appropriate Federal and State legislation, including adequate enforcement provisions, for such programs.

"(6) Formulate a program for the appropriate control, reduction or elimination of acid mine pollution in the region, including the identification of specific objectives and costs, with due consideration to: (A) the developmental effects of the program, (B) the economic benefits of the program in relation to costs, (C) the social effects of the program, (D) the avoidance of unwarranted financial gain to private interests, and (E) the types and sources of aid required to accomplish the program.

"(c) The Commission shall, as required by the President, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the President. The records of the Commission shall be available for audit with respect to such grants by the President and the Comptroller General or their duly authorized representatives.

"(d) Not to exceed $13,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section. Not to exceed $3,000,000 of such authorization shall be available for the purposes of subsection (b)."

SEC. 121. Section 303 of the Act is amended to read as follows:

"PROJECT APPROVAL

"SEC. 303. An application for a grant or for any other assistance for a program or project under this Act shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under the Act shall be approved for assistance."

SEC. 122. Section 401 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 401. (a) In addition to the appropriations authorized in section 201 for the Appalachian development highway system and local access roads, there is hereby authorized to be appropriated to the President, to be available until expended, not to exceed $273,650,000 for the two-fiscal-year period ending June 30, 1969, to carry out this Act.

"(b) Unexpended balances of appropriations under the authorization in this section prior to amendment by the Appalachian Regional Development Act Amendments of 1967 shall be treated as having been appropriated to the President for the purposes of this Act as amended, and shall remain available until expended: *Provided,* That any unexpended balances of appropriations for the puropses of section 204 prior to such amendment shall remain available for such purposes."

SEC. 123. (a) Section 403 of the Act, entitled "DEFINITION OF APPALACHIAN REGION", is amended—

(1) by inserting in the clause relating to the counties in Alabama after "Jefferson," the following: "Lamar," and after "Morgan," the following: "Pickens,"; and

(2) by inserting after the clause relating to the counties in Maryland the following:

"In Mississippi, the counties of Alcorn, Chickasaw, Choctaw, Clay, Itawamba, Kemper, Lee, Lowndes, Monroe, Noxubee, Oktibbeha, Pontotoc, Prentiss, Tippah, Tishomingo, Union, Webster, and Winston;

"In New York, the counties of Allegany, Broome, Cattaraugus, Chaptauqua, Chemung, Chenango, Cortland, Delaware, Otsego, Schoharie, Schuyler, Steuben, Tioga, and Tompkins;".

(b) Such section is further amended by striking out the colon following "West Virginia" and inserting in lieu thereof a period, and by striking out all of the remainder of such section and inserting in lieu thereof the following:

"No recommendation for any change in the definition of the Appalachian region as set forth in this section shall be proposed or considered by the Commission without a prior request by the Congress for a study of such change."

TITLE II—AMENDMENTS TO TITLE V OF THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

SEC. 201. Subsection (a) of Section 503 of the Public Works and Economic Development Act of 1965 is amended by striking the semicolon after clause (2), inserting a comma, and the following: "including the development of a comprehensive long-range economic plan approved by the Secretary;".

SEC. 202. Subsection (c) of section 505 of the Public Works and Economic Development Act of 1965 is amended by adding at the end thereof the following:

"Not to exceed $2,500,000 of the funds authorized to be appropriated by this subsection for each fiscal year shall be allocated by the Secretary to each regional commission to carry out the purposes of this section."

SEC. 203. Section 509 of the Public Works and Economic Development Act of 1965 is amended by redesignating such section as section 510 and by inserting after section 508 the following new section 509:

"SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

"SEC. 509. (a) In order to enable the States and other entities within economic development regions established under this Act to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the Secretary is authorized, once a comprehensive long-range economic plan established pursuant to clause (2) of section 503(a) is in effect, to provide funds pursuant to specific recommendations of each of the Federal Cochairmen of the regional commissions heretofore or hereafter established under this title, to be used for the sole purpose of increasing the Federal contribution to projects under such programs above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. No program or project authorized under this section shall be implemented until (1) applications and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this Act, and (2) the Regional Commission involved has approved such program or project and has determined that it meets the applicable criteria under section 504 and will contribute to the development of the region, which determination shall be controlling. Funds may be provided only for Federal grant-in-aid programs for which funds are available under the Act authorizing such programs. Funds so provided shall be available without regard to any appropriation authorization ceilings in such Act.

"(b) The Federal portion of such costs shall not be increased in excess of the percentages established by each commission, and shall in no event exceed 80 per centum thereof.

"(c) The term 'Federal grant-in-aid programs' as used in this section means all existing or future Federal grant-in-aid programs assisting in the acquisition of land or the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by title I of this Act and by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; and National Defense Education Act of 1958. The term shall not include any program in which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this section, and shall not be taken into account in the computation of allocations among the States made pursuant to any other provision of law.

"(d) There is hereby authorized to be appropriated to the Secretary for each of the regional commissions for the purposes of this section the sum of $5,000,000 for the period ending June 30, 1968, and the sum of $10,000,000 for the fiscal year ending June 30, 1969.

"(e) Any amounts appropriated under this section shall remain available until

expended, and any amounts authorized for any fiscal year under this section but not appropriated may be appropriated for any succeeding fiscal year commencing prior to July 1, 1970.

"(f) An application for a grant under this section shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under this section shall be approved for assistance."

INVESTMENT TAX CREDIT

The Senate resumed the consideration of the bill (H.R. 6950) to restore the investment credit and the allowance of accelerated depreciation in the case of certain real property.

The PRESIDING OFFICER. The Chair recognizes the Senator from Missouri.

Mr. SYMINGTON. Mr. President, my staff has been following what has been going on for some weeks and I would like to read to the Senate a short statement in summary of what has transpired.

APRIL 26, 1967.

To: Senator SYMINGTON.

Re: Brief summary of floor situation on H.R. 6950.

The Committee on Finance has reported back, as previously instructed by the Senate, H.R. 6950 with two provisions: 1) restoration of the investment tax credit. 2) repeal of the Presidential Campaign Financing Act as of July 31, 1967. The Committee has also announced that it will hold hearings and report back within six weeks a bill for the improvement and revision of the Presidential Campaign Financing Act, this announcement also in accordance with the recomittal instructions of the Senate.

Senator Long has now moved to strike the provision of the Committee bill which provides for the expiration of the Presidential Campaign financing act on July 31, 1967. That is the pending business. He has announced that if his motion is defeated, he will open up the bill to further amendments. If his motion is adopted, he will do his best to foreclose further amendments.

Leaving aside the merits of the question of repeal of the Presidential Campaign Fund Act, I think it is fair to say that if the Senate does not support Senator Long's motion to strike, the Senate will be embroiled again in adopting all kinds of amendments—Ribicoff college tax credit, meat import quotas, textile import quotas, and so forth—to the investment tax credit bill.

If, however, the Senate supports Senator Long's motion to strike, Senator Williams, joined by Senators Kennedy and Percy, will offer an amendment to provide, in effect, the President's original recommendations on campaign financing—$100 tax deduction for individuals making contributions to the political candidates of their choice.

Senator Williams has said he will offer this amendment and others if the repeal question is to be reopened as Senator Long has indicated.

I would assume however that if Senator Long's motion to strike is adopted, the leadership would gather unity to table any other amendment. Therefore—so far as the effect on getting on with Senate business is concerned, a vote in support of Senator Long's motion to strike would *for the present* expedite the matter.

Senator Gore, in offering yesterday to enter into a unanimous consent agreement to vote today at 3:30 on the motion to strike, which was not agreed to, said he believed the majority of the Senate would vote against the motion. Senator Long has indicated that if every Senator were present, the vote would be 50–50 with the Vice-President deciding the issue.

Speaking for myself, I am becoming increasingly apprehensive about the nature and degree of the tieup of the Senate during recent weeks on this issue. It is now more than ever not a partisan matter with me.

Mr. President, we have in our State a great independent newspaper, the Kansas City Star. If the Senate will bear with me for a few minutes, I shall read from a recent editorial in that paper.

[From the Kansas City Star, Apr. 20, 1967]

THE SENATE FIDDLES WHILE THE ECONOMY BURNS

The Senate has tried to hang everything but a bill designating a national flower onto the important measure to reinstate business tax incentives. And the national flower may come yet. Certainly this extended period of parliamentary nonsense has threatened one of the session's high-priority pieces of legislation. A lot of people are burning while the senators fiddle.

The merits of the bill to restore the 7 per cent tax credit and accelerated tax depreciation need not be discussed here. More than a month ago the administration read the statistics, saw the need and moved quickly in a rare display of flexible fiscal policy. The House took prompt action and within days had dispatched the measure, its provisions retroactive to March 10, to the Senate.

Then the egg hit the fan. The Senate took its Easter vacation, and no one would object to that. It returned to the job presumably refreshed and raring to go. Deliberation began on the tax bill. But *this* is deliberation in the world's greatest debating society? Not as we see it. Consider:

After much sound and thunder, an amendment was tacked on to repeal the questionable campaign financing act of the 89th Congress.

Mr. President, I agree. There are parts of that law I do not believe right.

It is a law that ought to be repealed. But to let an extraneous issue thus threaten a measure vital to the entire economy is hardly the part of legislative statesmanship.

It was only the beginning. Another rider would lower the disability retirement age under Social Security. Perhaps this should be considered, but if so, it ought to be a part of the entire Social Security package which will come up later in the session.

Then someone thought of another idea that has been kicked around Capitol Hill for some time: To permit tax credit for college tuition payments. This is a plan with merit, and we would hope that some day a nation acutely conscious of the high cost of higher education—and of its necessity—might have such a provision in its tax code. But one thing at a time, fellow taxpayers. The college tax credit simply confuses the real issue of the moment, and has no place in this bill. Yesterday an amendment to cut meat imports was added to the stalled measure.

So it has gone, and so it is likely to go. Sen. Russell Long (D-La.), author of the campaign finance law, said he is coming back to get the repealer of his pet plan removed from the tax bill. He hints darkly that if he fails, he might tie up the tax credit bill in such a bundle of extraneous issues that it would never be acceptable to the House or to a conference committee. He said he will use any tactic to save his law to subsidize presidential campaigns, even if there is a risk of killing the tax bill.

Should he succeed, the administration presumably would start all over again. It would have no choice. But it would mean the loss of valuable time. A more reasonable course might be to accept the campaign law repeal (which President Johnson signed with no great enthusiasm last year) and push for genuine election financing reform. Or, the opponents of Senator Long might find it necessary to withdraw from the field, let him have his way, and live to fight another day.

After many weeks, there is real appeal in that statement, so far as I am concerned. The editorial continues:

At any rate, something has to give, and it has to give soon. The economy needs this tax credit, and if it doesn't get it, the good economic news of the last few days could turn sour. In which case, the responsibility would rest with the United States Senate which most people presume to be on their side in the battle against recession and/or inflation.

But instead of responsible action, thus far, the senators have staged a performance that began with a prologue appropriate to the senatorial silly season, moved on to far-out ridiculousness, and now takes on the elements of high tragedy. No one is impressed.

Mr. GORE. Mr. President, will the Senator from Missouri yield?

Mr. SYMINGTON. I shall be glad to yield in a moment.

I do not necessarily agree with every sentence in that editorial, but believe it time we think not only about what we have to say, what our convictions are with respect to what is and has been taking place on the floor of the Senate, but also that we recognize what the people of the country are thinking concerning these recent goings on.

I am not criticizing anyone, nor suggesting a curtailment of debate. This once, however, on my own time, I wish to make this short statement as to what I believe represents the views of the majority of the people of my State, how they feel about what has been going on in the Senate since about the middle of last March.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. SYMINGTON. I shall yield to the Senator from Tennessee, who first asked me to do so.

Mr. GORE. I have listened with much interest to the statement of the distinguished senior Senator from Missouri and to the editorial which he has read.

I wish to suggest for the consideration of the able Senator that I believe that through all the travail he will find that, upon many occasions, I have urged expedition. Yesterday, I proposed an agreement to vote today. During the conferences today, as Senators who are now in the Chamber are aware, I said that, so far as I am concerned, I would be willing to vote on Friday, to vote on Monday, to vote on Tuesday, or to vote at any time when there could be a little notice, so that Senators could make their arrangements to return to the Capitol. This is an issue that has attracted much attention. It is a very important issue. I feel certain that every Senator will desire to vote.

This is the present situation: The Senate, by a vote of nearly 3 to 1, including the support of the able senior Senator from Missouri, has directed the committee to report a bill stripped of all amendments except an amendment for

trap me and that I cannot be trapped, but he has done it to me before, and it is difficult to wiggle loose.

Mr. President, the Senator said something about a precedent. The precedent is there. The Chair ruled. I asked a parliamentary inquiry, and the Chair ruled that I had a right to offer the amendment. The motion to table, made by the Senator from Delaware, could in some respects be regarded as a ruling from the Chair, and I won it. The precedent is there. It has already been ruled.

The Senator has asked whether I am willing to abide by that verdict. Not if I lost on absentees. I have my absentee list now, to see how many people will be out of town on Tuesday, and the number is considerable. If every Republican was in place and the absentee list is what is predicted on Tuesday, I would lose on absentees. I will do my best to get people back in town.

The Senator from Tennessee [Mr. GORE] talked about voting. He would have been very foolish to vote today. He has six absentees. I would like to give him pairs, but I do not feel like pairing all those Republicans. He is leading the fight against me on the Democratic side of the aisle, while the Senator from Delaware leads it against me on the Republican side of the aisle. I would have been glad to give him pairs with Democrats. I would have won easily. But I do not believe he would have been satisfied with that. He would see that he had four Republicans who did not have pairs, and he would probably have come back and tried me again, and it would have been an inconclusive struggle.

One of these days we will get this whole thing worked out. So far as I am concerned, time is of no particular moment. I agree with the Senator from Tennessee that it is the most important thing we will vote on. We will take all the time necessary, and eventually we will get around to holding a committee meeting and seeing what the Committee on Finance wishes to do, and we will vote it out.

If everybody would do what the Senator from Virginia did, give a pair to some poor fellow who is sick in a hospital and who cannot be here, and if everybody's vote was counted, I would have won with a vote of 50 to 50, with the Vice President breaking the tie in my favor, and off we would go with the investment tax credit bill. However, they caught me with their crowd in town and mine out of town. I come back when I have the larger army and this time the other fellow has the absentees. This could go on forever, but it will not. Eventually the Senate will accept a decision.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. The Senator from Louisiana said that the Senator from Delaware has trapped him in the past. I assume that by "trapped," he meant that deceitful means were used by the Senator from Delaware. I want to reject that implication fully and completely. I want to point out the extreme versatility of using the rule of the Senate for self-defense, but still ignoring the rule to commit offenses upon the other side.

I have been with the Senator from Delaware for 10 years and I wish to say with complete confidence that in the Senate he has spoken objectively, truthfully, and with the purpose of acquainting Senators fully with the facts so as to be able to render intelligent judgments.

I wonder what would have happened if I had invoked the rule to have the Senator from Louisiana take his seat when he stated that the Senator from Delaware was setting traps. Traps are supposed to snare the innocent. That statement was a direct challenge to the integrity of the Senator from Delaware. I did not ask that the Senator from Louisiana take his seat, but if the Senator from Pennsylvania, under the rule, was required to take his seat, then I submit to the Presiding Officer that that same rule would have required the Senator from Louisiana to take his seat.

Last week the majority leader, in order to bring the treadmill to an end, in order to stop the merry-go-round, made a motion. He realized that we were indulging in the use of time without producing anything constructive in the interest of the country. He made the motion that the bill be sent back to the Committee on Finance with the order that they return a bill with two provisions, one, solely dealing with the capital investment tax credit, and two, a repeal of the $60 million subsidy to political parties. That bill went back to the Committee on Finance.

To my great amazement, within 1 minute the Senator from Louisiana took the floor and said: In conformity with the direction of the Senate, we have prepared a bill reinstating the investment tax credit and repealing the Presidential subsidy bill.

I was amazed because I could not understand how the committee could have acted upon it. It was obviously the action of the chairman alone. But to my greater amazement, after it was stated that the bill was reported back in conformity with the direction of the Senate, an amendment was immediately offered to vitiate and repudiate the previous action of the Senate.

I, in my simple way of thinking, cannot understand how this dignified body can indulge in that type of conduct. One minute we direct the committee to report back in accordance with certain conclusions reached by the Senate. The whip and chairman of the Committee on Finance reports back and with the greatest alacrity imaginable, immediately proceeds to repudiate the direction given by a vote of some 60 to 20. I do not know the exact number. What are the citizens of the United States thinking of the Senate? What are they justified in thinking? One day we vote "aye," on a specific issue. The next day we vote "nay," and the third day we vote "aye."

We have spent 4 weeks on a treadmill. We have spent 4 weeks on a merry-go-round making the circle, and coming back to the same place at the end of the merry-go-round. Now, we rebegin the same merry-go-round, the same treadmill that was started 4 weeks ago.

The Senator from Delaware [Mr. WILLIAMS] wants to end it next Tuesday. Am I correct in that?

Mr. WILLIAMS of Delaware. The Senator is correct.

Mr. LAUSCHE. The Senator from Louisiana says that it will not be ended next Tuesday, but that the treadmill and the merry-go-round will continue until January 1968, unless the will of the Senator from Louisiana is done.

God help the United States under that condition.

Mr. WILLIAMS of Delaware. I thank the Senator from Ohio. He has pointed out the parliamentary situation in which we find ourselves. I am not questioning for a moment, as I have stated, that the amendment of the Senator from Louisiana will be ruled to be in order. I say that based upon my consultations with the Parliamentarian.

However, if that amendment is adopted it is my understanding that it will be the first time in the history of the Senate that we will have changed a decision ordered by the Senate under a recommittal motion. That is the point I was making. I do not quarrel with the right or propriety of the Presiding Officer to make such a ruling. But the only way to get such an official ruling is to make a point of order; that will be done and then this procedure will officially be open for use by any Member. But I do think we should all agree to and abide by that decision next Tuesday, regardless of whether we win or lose, and go on with the business of the Senate. I would like to get such an agreement right now.

Nevertheless, I regret that the Senator from Louisiana does not see fit to accept this fair proposition offered by the Senator from Tennessee [Mr. GORE] and myself.

I also wish to thank the Senator from Ohio [Mr. LAUSCHE] for defending me against what he thought was somewhat of a reflection made upon me by the Senator from Louisiana [Mr. LONG]. The Senator from Ohio said he wondered what would have happened had the Senator from Louisiana been required to take his seat. I can tell him what would have happened. I would have moved that the Senator from Louisiana be permitted to proceed; I was enjoying his remarks. While I appreciate the concern of the Senator from Ohio, I did not take the remarks of the Senator from Louisiana as a criticism of me. Rather and, perhaps this was poor judgment on my part, I accepted them as a compliment coming from the Senator from Louisiana. I really think that what he had in mind when he said I had set a trap was that he was recalling how in the course of the debate we have exposed to the country what a monstrosity his proposed $60 million campaign slush fund really is and that we had gotten him somewhat into a position where the American people can see how disastrous the campaign fund law is.

Yes, indeed. I accepted his remarks as a compliment. I hope he will repeat them many times. To the extent that we have—if we may use the words of the Senator from Louisiana—"trapped" him into admitting on the floor of the Senate that the present law is not workable we have succeeded. In fact, he has been so enlightened by our analysis of

this $60 million slush fund that he has recently offered an entirely new substitute bill, changing completely the proposed method of financing.

I do not consider that we trapped him—he used that word—but at least we have exposed the act to the American public for what it is. As an optimist and I shall always be an optimist, I feel that if we will only analyze what the Senator from Louisiana had in mind, we will see that he was really complimenting me and expressing his respect for the manner in which I have analyzed this proposed campaign slush fund. I even suspect that he will respect us more next Tuesday when we win that vote.

Mr. GORE. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. GORE. Mr. President, I asked the Senator to yield in order to say in my own words that I concur in the desirability of bringing this issue to a conclusion. Along with the able senior Senator from Delaware, I am prepared, as the Senator from Delaware has previously stated, to accept the results of the vote next Tuesday. I was prepared to accept the first vote. I was prepared to accept the vote on the motion made by the majority leader yesterday, however it came out.

I invite the attention of the Senate to the fact that on more than one day in every week of consideration of this measure, I have pleaded for expedition, and for a vote. Does not the Senator from Delaware recall that?

Mr. WILLIAMS of Delaware. The Senator is correct. We have offered numerous unanimous-consent agreements trying to bring this issue to a vote. The Senator from Tennessee, with my support, offered to get an agreement to vote today. We are never certain that there will be 100 Senators in the Chamber at any time.

All that we can do is to notify Senators that there will be a vote, and if they want to cast their vote, then let them come into the Chamber and do so. Let us settle this issue and get on with the business of the country.

Mr. GORE. Earlier in this legislative battle, an effort was made to frighten businessmen. It was suggested that the effort to repeal the Presidential Election Campaign Fund Act would, in some way, imperil enactment of the investment credit provisions.

I think the RECORD today will make it explicitly clear, if it has not already done so, that the Senator from Delaware and the Senator from Tennessee desire expeditious treatment of this issue, and that the way to speed enactment of the pending bill is to defeat the amendment next Tuesday, pass the bill, go to conference, and before the week is out the bill can become law.

Mr. WILLIAMS of Delaware. I agree. That is the best and most sensible way to take care of this problem. This question should have been settled at least 2 or 3 weeks ago.

REVISION AND EXTENSION OF THE APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

The Senate resumed the consideration of the bill (S. 602) to revise and extend the Appalachian Regional Development Act of 1965.

Mr. RANDOLPH. Mr. President, Members of the Senate joined in creating, in 1965, the establishment of the Appalachian Regional Commission, pursuant to the Appalachian Regional Development Act. This legislation, the result of 5 years of investigation, study, and public hearings, broke new ground in structuring the relationships between and among the Federal Government, State governments, and individual citizens and private business.

It has truly been a partnership for progress, and it provides a model for programs in other regions.

President Johnson has termed "creative federalism," as an approach characterized by a new and realistic and cooperative relationship among all levels of government. It has brought into being the establishment of a firm and full partnership between the Federal Government and the States of the Appalachian region.

In 1964, the President's Regional Commission on Appalachia transmitted a report to the President of the Senate, describing in detail the situation which obtained in an area extending from Pennsylvania to Alabama. It accurately and in stark terms set forth the differences which for too long had set this region partially apart from the rest of the Nation. It spoke of regional problems in terms of income, education, employment, and housing levels. It drew a graphic picture of a region which was far behind at a time when the United States as a nation had entered on and was enjoying the fullness of economic prosperity.

The Senate Committee on Public Works began hearings on proposals to ameliorate and correct this situation. The need for Federal assistance in an action program was demonstrated and documented. The Congress subsequently enacted Public Law 89–4, establishing the Appalachian Regional Development Commission, and authorizing a multifaceted economic development program.

In essence, we have reharnessed many of the existing Federal programs. We learned, not that the Federal Government lacked programs which could substantially contribute to an economic revival of Appalachia, but rather that the States of the region, for many reasons, were unable to take advantage of these programs.

The first thrust of the effort was the authorization of a development highway system. Throughout the history of this region and our Nation, the Appalachian mountain chain has been characterized as a barrier to commercial and social intercourse. The schoolchild learns that one of the first great problems encountered by our Founding Fathers, once the original settlement along the Atlantic coast was accomplished, was to find a passage through these mountains. The Cumberland Gap has its own hallowed place in the history of Appalachia.

Another major problem was to expand and strengthen health facilities and services. These, together with stepped-up vocational education activities, land stabilization, conservation and erosion control, coal mining area restoration, and sewage treatment were necessary if Appalachia was to be able to attract and hold the kinds of people and the kinds of business which make not only that area but any area economically viable.

Provisions for timber and water resources studies were also included. The capstone of the program was the provision of supplements to existing Federal grant-in-aid programs. No one piece of the program was to be so large as to overburden or overshadow the rest. All were intended to give that extra assistance which is required to bring Appalachia back into the mainstream of American economic development.

Mr. GORE. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield to my distinguished colleague from Tennessee.

Mr. GORE. I wish to express personally, and on behalf of the people of Tenneessee officially, gratitude and admiration for the leadership, the devotion, and the effective work of the senior Senator from West Virginia in this program, from which aspirations will rise and benefits badly needed will flow.

Mr. RANDOLPH. Mr. President, the statement of the distinguished Senator from Tennessee is characteristic of him. He is gracious, and in this instance, too generous. However, I am grateful for the words spoken by my friend. It is true when he says that I have been devoted to this region. But I am not alone, the devotion of the Senator from Tennessee to the region has been a matter of public knowledge over a long period of years. When he pioneered the development of the Interstate Highway System, he was thinking not only of a great superhighway network extending from coast to coast, but he was fully aware what all these roads together with the primary, secondary, and farm-to-market roads would do for the area of which I speak today.

Developmental roads—all what we are building under the Appalachian program—roads which will enable the people of Tennessee, and the people of West Virginia, to come into fruitful contact with each other as well as with people from the other States of the Union.

The intergovernmental structure thus created in the legislation of 1965 and the program contained therein were designed to "assist the region in meeting its special problems, to promote its economic development, and to establish a framework for joint Federal and State efforts toward providing the basic facilities essential to its growth and attacking its common problems and meeting its common needs on a coordinated and concerted regional basis."

It was an ambitious goal and an immense undertaking, but it was one to which the Senate gave highly substantial support. What our committee proposed was enacted by the Congress and was signed into law by President Johnson on March 9, 1965.

On January 24, 1967, the Special Subcommittee on Economic Development of the Senate Committee on Public Works, over which I preside, in addition to being

chairman of the full committee, began hearings on S. 602, to revise and extend the Appalachian regional development program. The purpose of those hearings was twofold:

First, the refunding of the program. When the original legislation was passed early in 1965, with the exception of the Appalachian highway program, Congress made authorizations through fiscal year 1967 only. If we are to fulfill the promise of the excellent beginnings, we must authorize the funds for the continuance of the program.

The second purpose of the committee hearings was to conduct a searching review of the goals and achievements of the Appalachian program to date.

This effort is the embodiment of a new approach in intergovernmental relations, perhaps best expressed in the concept of "creative federalism." It is intended, as the Senator from Tennessee would say, not as a handout but as a helping hand. That is really what the people of this mountain area want, desire, and can appreciate. It is an equal partnership between the States and the Federal Government.

During the course of 7 days of hearings the Special Subcommittee on Economic Development heard from more than 40 witnesses representing every sector of involvement in the Appalachian program. Testimony was received from the State cochairman of the Appalachian Regional Commission, the Honorable Hulett Smith, Governor of West Virginia, and from the Honorable John Sweeney, the then Federal Cochairman, Members of the Senate, as well as from representatives of the Federal agencies, which have the direct responsibilities for carrying out the projects recommended by the Appalachian Regional Commission. In addition, the committee heard from a number of knowledgeable private citizens and interested groups.

Testimony or written statements were received from the Governors of 10 of the 12 States included in the region. The Governors were unanimous in their support of the program. I think it is important to note that they were high in their praise of the structure as well as the program implementation.

We have not made all the progress we desired to make—we have had real success. Though not all aspects of the program have moved forward as rapidly as we might have liked, some phases have been more successful than Senators believed possible. The program is a success because those who are most directly concerned with it, the Governors of the States and the Federal Cochairman have given it a maximum effort. Though the program has registered significant achievements, it has really only just begun.

The achievements resulting from the Appalachian Regional Development Act were partially summarized by President Johnson in his letter to Congress on January 20, 1967, in which he recommended the extension of the program. The President said:

> Because of the work done by the Commission and cooperating Federal, State, and local agencies.
>
> Fifty-one hospitals have been completed or are under construction.
>
> Fifty-two vocational education schools are being built.
>
> Work is underway on 790 miles of the development highway system.
>
> New libraries, airports, college classrooms, and water resource projects are being pursued to completion.
>
> Thousands of workers have been trained, hired, and added to the payrolls.

The institutional conception of the program as a joint State-Federal endeavor has been a valid one. The success achieved to date is a direct result of the high degree of cooperation between the Governors of the Appalachian States and the Federal Cochairman.

During the course of the hearings no adverse criticism was given at the Appalachian Regional Commission, the States, or the Federal agencies involved in the programs.

A number of private witnesses representing the business, educational, labor, and religious leadership of Appalachia did ask that the committee consider additional programs which would concern themselves with the development of human resources. The committee members share this concern for the development of human resources. And I point out that, except for the highway program, the two largest categories of Federal assistance in the Appalachian program are for health and vocational education. S. 602, as amended gives further evidence of congressional concern by providing additional programs oriented directly to the people of the region.

The bill, as reported, contains no sweeping changes in the original legislation. The basic structure of the Commission and the underlying philosophy of State-Federal cooperation remain intact and unchanged.

Additional Federal programs will be included under the umbrella of the Appalachian Region Commission. Among these are technical assistance grants and loans to encourage low- and moderate-income housing under the provisions of section 221 of the Housing Act of 1954, the extension of the availability of planning money under section 701 of the Housing Act of 1954 to the so-called local development districts, timber products research, the development of a program for mine acid pollution control, and cultural program assistance.

S. 602 does not substantially expand the activities of the Appalachian program. The bill, as reported, authorizes the appropriation of $273,650,000, exclusive of the Appalachian Development Highway System, for the 2-fiscal-year period ending June 30, 1969. The 1965 act authorized an appropriation of $252,400,000 for the period ending June 30, 1967.

The major portion of this increase results from the inclusion of four new programs—hardwood timber product research, technical assistance for housing, the development of a mine acid pollution control program, and cultural program assistance.

The Appalachian highway program authorization which extends through June 30, 1971, would be increased by $175 million.

The primary change recommended by S. 602 provides for the appropriation of funds to the President. It is expected that the President will carry out the authorized programs by transferring the funds to the Federal Cochairman—for disposition in accordance with this legislation.

As introduced, the measure would have provided for appropriation of all funds authorized to the Appalachian Regional Commission for subsequent transfer to operating agencies of the Government to carry out authorized programs. This approach to funding the Appalachian program was considered as a means for achieving a consolidated review of the program in the appropriation process.

The committee has thoroughly considered the issues involved in the authorization of direct appropriations to the Commission. It is in sympathy with the view that appropriations for the Appalachian program should be sought on a consolidated basis. Similarly, we are aware of the concern of the President and the Bureau of the Budget about fragmentation of fiscal control.

In order to facilitate the most efficient operation of the program, and to accommodate the views of all parties on this issue, the bill reported by the committee authorizes the appropriation of all funds authorized by the act, except for the Commission's administrative expenses, to the President.

From discussions with the executive branch, it is the committee's understanding that funds appropriated to the President to carry out the act will be transferred by him to the Federal Cochairman of the Commission for further allocation among the Federal agencies and departments authorized to carry out the programs authorized by the act and for grants to the Commission for administrative expenses of local development districts and for research. This procedure will achieve a single review of the program in the appropriations process without appropriating program funds directly to a Federal-State commission.

Another amendment to the 1965 act would give the Commission itself the authority to approve programs and projects. This change likewise appears necessary if the program is to fulfill the promise it now holds for the revitalization of the Appalachian region.

This program was undertaken in 1965, in part, as an experiment in creative federalism. It was looked at as a test of the ability of State governments to more adequately meet their needs. If they are to do this, it seems to me that they must be given the opportunity to make the decisions. The Federal interests in these programs will be properly and fully protected by the Federal Cochairman.

S. 602 recommends the addition of 18 counties in Mississippi. Much of northeastern Mississippi shares common economic, social, and physical characteristics with counties in the Appalachian region. This area of Mississippi exhibits many of the same conditions of deprivation, such as unemployment, educational lag, health needs, public facilities shortages, and lack of adequate access which the program is seeking to alleviate in the Appalachian region.

In addition, two counties in Alabama would be included, as well as one county in New York.

To guard against continual expansion of the region encompassed by the Appalachian program, the committee has recommended language which provides that no recommendation for any further additions to the Appalachian region will be proposed or considered by the Commission unless the Congress has requested a study of such additions.

As a result of suggested amendments introduced by the Senator from Oklahoma [Mr. HARRIS], the committee considered and reported as title II of S. 602, three amendments to title V of the Public Works and Economic Development Act of 1965. The first is a clarifying amendment to insure the development of a comprehensive long-range economic development plan to govern the expenditure of funds in the title V regions. The second relates to the allocation of administrative and technical assistance and research funds to the allocation of administrative and technical assistance and research funds to the regional commissions established pursuant to title V of that act. The third is a provision authorizing the appropriation of funds for "Supplements to Federal grant-in-aid programs."

It is the committee's strong belief that the success of the Appalachian program gives strong evidence that the other commissions—Ozarks, Upper Great Lakes, New England, Coastal Plains, and Four Corners—will benefit greatly from the availability of such funds.

The committee recommends enactment of S. 602, as amended. It believes that the legislation is a vital necessity to maintain the effort being made to solve the difficult problems of the Appalachian area. The broad-scale attack begun with the enactment of the Appalachian Regional Development Act of 1965, Public Law 89–4 must be continued if we are to bring that region into a condition of economic parity with the rest of the Nation.

The amendments to title V of the Public Works and Economic Development Act of 1965 are equally necessary if the regional commissions established under that act, Public Law 89–136, are to bring renewed economic vitality to other regions of the United States.

Mr. President, I believe that the program presented under the reported bill is a sound and well-balanced one, which takes full advantage of the experience gained by the Appalachian Regional Commission during the past 2 years, and I believe the Senate will give prompt approval to this proven program.

Mr. President, I recognize the diligence and dedication of all my colleagues who serve on the Committee on Public Works. Without the cooperation and support of Senator JOHN SHERMAN COOPER, the ranking minority member, as well as, Senators STEPHEN YOUNG, EDMUND MUSKIE, ERNEST GRUENING, B. EVERETT JORDAN, DANIEL INOUYE, BIRCH BAYH, JOSEPH MONTOYA, JOSEPH TYDINGS, WILLIAM SPONG, JR., HIRAM FONG, CALEB BOGGS, GEORGE MURPHY, LEN JORDAN, and HOWARD BAKER, this legislation would not be the realistic response to the needs of Appalachia which it, in fact, is—and I thank them all for their valued contributions to our deliberations and action.

We have considered these matters, not in any partisan way. We gave our attention to this measure because we believed that we had a responsibility to strengthen this region and the other regions provided for in the legislation. These areas of our country must be put in a position not only to participate in but to contribute to the well-being of the citizens of the United States in the years ahead.

Mr. President, I know that several Senators, particularly the members of the Committee on Public Works, desire to be heard and perhaps to draw particular attention to some matters which need to be clarified.

It is my hope that by the middle of tomorrow afternoon—the bill can be brought to final passage. We shall probably request a yea-and-nay vote on the passage of the bill, so that the Members of the Senate may again have the opportunity, as they did in 1965, to express, in an affirmative, positive way, their approval of Senate bill 602.

Mr. SCOTT. Mr. President, as a cosponsor of the 1965 act and of the pending measure, I rise in support of this bill. S. 602, extends, in substantially its present form, the Appalachian Regional Development Act of 1965. That act has been most beneficial to my Commonwealth.

The Appalachian program has been an excellent example of how our Federal system of government should properly function. It is a genuinely equal partnership of the Appalachian States and the Federal Government. The Appalachian Governors have a strong voice and play an active role in formulating and carrying out the investment plans designed to revitalize the economy of this distressed region.

As a member of the Pennsylvania State Planning Board, which advises our Governor on the Appalachian program, I have been privileged to participate in this exciting planning and development process.

There is one feature of the pending bill which I wish to note favorably. I am glad that it provides that henceforth funds for all Appalachian programs will be appropriated to the President for disbursement by the Federal cochairmen of the Appalachian Regional Commission. The present practice of appropriating Appalachian funds to several Cabinet departments and agencies makes it difficult for the Appropriations Committees of Congress, as part of their oversight responsibilities, to carry out a single comprehensive review of the Appalachian regional development program.

Mr. President, I urge approval of this worthy legislation.

I make this statement at this time because I am presently engaged in doing what I can to help advocate the adoption of certain amendments to the constitution of the Commonwealth of Pennsylvania. Being engaged in that work, I am not certain I shall be on the floor at the time when the bill comes to a vote. If it does, I have the assurance of a live pair with another Senator, should I not be able to be present at the time.

I thank the Senator from West Virginia for yielding to me.

Mr. RANDOLPH. Mr. President, I am grateful for the comment of the Senator from Pennsylvania. He has participated in developing the answer to this legislative problem, even though not a member of the Public Works Committee. He has often appeared before our committee and argued effectively for the type of legislation that the Senate is now considering.

Mr. COOPER. Mr. President, I am very glad to join my friend, the senior Senator from West Virginia [Mr. RANDOLPH] in presenting to the Senate S. 602, a bill to revise and extend the Appalachian Regional Development Act of 1965, as recommended to the Senate by the Committee on Public Works, of which Senator RANDOLPH is chairman and on which I serve as the ranking minority member.

The Appalachian Regional Development Act has been in effect for a little over 2 years. During these 2 years, the Appalachian program has proved itself.

The wide acceptance and broad support this new program has received is evidence, I believe, that it was well conceived and has been well executed. Our committee received no testimony in opposition to this 2-year extension of the non-highway portions of the Appalachian Regional Development Act of 1965, and I am glad that it has been recommended to the Senate unanimously, with the support of both majority and minority members.

The Appalachian program is already bringing new opportunities and hope to the people of the region. And I must say it appears to be a happy exception among the new programs of recent years—for it has not created conflicts in administration, jurisdiction, or priorities. On the contrary, it has achieved cooperation, developed priorities, and fixed responsibility.

This has been accomplished through principles which have been talked about often, but in this case applied: local initiative; State responsibility; and the application of new priorities—in this case, regional planning—through Federal assistance programs already established.

The great thing about the Appalachian regional development program has been its demonstration of what can be accomplished by relying on State responsibility in carrying out Federal assistance programs. We are all concerned about overlapping programs, duplication, waste, and confusion of priorities. But the Appalachian concept has shown that, when the States are given responsibility and the authority for ordering priorities, existing Federal assistance programs can be better directed to the diverse needs of the States and utilized more effectively.

II

President Kennedy, President Johnson, the Congress, and the Nation have recognized the deep-rooted and persistent problems of the Appalachian region, which justified designing a program to at last come to grips with its needs. I consider that the Congress, with the support of the people of the country, has been sympathetic and generous in providing this program for the Appalachian region.

I remember that, in 1959, I offered an amendment to the foreign aid bill, to assist the underdeveloped regions of this country and, later that year, the Senator from West Virginia [Mr. RANDOLPH] and I proposed a program somewhat like the present one. Three years ago, I joined with Senator RANDOLPH and 34 other Members in introducing S. 2782, following President Lyndon B. Johnson's message of April 28, 1964, proposing the establishment of an Appalachian Regional Commission and development program. That request was, of course, a consequence of the report by the President's Appalachian Regional Commission, formed at the request of President Kennedy on April 9, 1963, with the Honorable Franklin D. Roosevelt, Jr., as chairman— which followed the initiative and work for years of the Governors of the central Appalachian States, which in Kentucky at least, began in the work of the East Kentucky Regional Development Commission.

The Senate Committee on Public Works held hearings that June and, on August 13, reported to the Senate the first Appalachian bill, which passed the Senate on September 25, 1964, by a vote of 45 to 13. The House of Representatives, however, did not take up the bill during the 88th Congress.

In the next Congress, Senator RANDOLPH and I reintroduced the Appalachian Act as S. 3 on January 6, 1965, with 35 cosponsors. Hearings were held and the bill reported at the end of January. I again comanaged the bill in the Senate, which passed S. 3 by February 1. It was then passed by the House, without amendment, by a vote of 257 to 165, and became Public Law 89–4, with the President's signature on March 9.

That law authorized a 6-year program of highway development for the Appalachian Region—section 201. It also authorized demonstration health projects—section 202; land stabilization and conservation—section 203; a water resources survey—section 206; vocational education facilities—section 211; supplemental grants-in-aid—section 214; and grants for administrative expenses of local development districts and for research.

It was recognized that this program, while utilizing for the most part existing Federal programs and authorities, involved a new approach to regional action—and a new working relationship among the States and between the States and the Federal Government in carrying out grant-in-aid programs, and in directing assistance more effectively to the priorities of the States. For this reason, it was acknowledged that results should be reviewed by the Congress after 2 years, and the nonhighway programs were authorized through June 30, 1967, with the understanding that they could be renewed at that time.

That time having arrived, I was very glad this year to again join with Senator RANDOLPH and 32 other Members of both parties in introducing the bill, S. 602, to extend for 2 years the nonhighway programs of the Appalachian Act of 1965. Our Subcommittee on Economic Development held 7 days of hearings, reviewing the entire Appalachian program, and made a number of revisions in the bill at first proposed. The hearings and our committee report to the Senate review the progress and accomplishments of this program, and the committee recommended without dissent this continuation of the Appalachian program.

III. PRINCIPAL PROVISIONS OF PUBLIC LAW 89–4 AND S. 602

Mr. President, at this point, I would like to summarize briefly the principal provisions of the bill our committee has brought before the Senate:

First. The composition and voting procedures of the Appalachian Regional Commission, its functions, administrative powers, authority to make recommendations, and administrative procedures, all set forth in title I of the act of 1965, are not substantially changed.

Second. Among the special Appalachian programs authorized by title II of the act of 1965, the principal new program in part A is the development highway system for which that act authorized appropriations of $840 million over 6 years to construct 2,350 miles of development highway, and 1,000 miles of local access roads. $300 million of that amount has been appropriated by the Congress for the 2 fiscal years 1966 and 1967.

The bill before the Senate increases the total highway authorization by $75 million—$140 million for the additional 350 miles of development highway across lower New York State and the connecting link in Pennsylvania, approved by the Governors after this tier of southern New York counties was added to the region. The remaining $35 million is authorized for local access roads, with the mileage limitation increased from 1,000 to 2,000 miles.

Among other changes, the new highway section 201 of the act authorizes advance construction of the development highways where the States are able to proceed,—but there is no commitment that the cost of such advance construction will be paid by the Federal government—and emphasizes the maximum use of indigenous materials, including coal derivatives, in road construction.

Third. The act provides in section 202 for a program of demonstration health projects as a means of showing how better health facilities, including hospitals, diagnostic and treatment centers, may be brought to multicounty and regional areas. It authorizes grants up to 80 percent for construction of health facilities, grants for the entire cost of their operation the first two years, 2nd for half of the cost for the next 3 years.

The bill restates this authority, includes also provision for planning grants up to 75 percent, and would permit the acquisition of facilities as well as the construction of new facilities. The committee bill makes clear that the operating funds may be used to cover operating deficits which include the cost of attracting, training and retaining qualified personnel. It authorizes appropriations for the next two fiscal years of $70 million for the demonstration health program, compared to $69 million authorized for the first 2 years, of which $23.5 million was appropriated.

It is acknowledged that it has taken some time to get the demonstration health program moving. But with the report of the Commission's Advisory Commission on Health showing tremendous needs in this field, we know that this amount must be carefully allocated to provide the most effective demonstrations—for it cannot begin to meet the health needs of the region.

Fourth. Section 203 of the act authorizes land stabilization, conservation and erosion control agreements between land owners and operators and the Secretary of Agriculture, up to 10 years' duration, with Federal cost sharing up to 80 percent on 50 acres of land.

This program is similar to the familiar agriculture conservation program it seems to me that within the Appalachian region these funds should be used to supplement ACP funds to secure conservation measures where they are most urgently needed.

The committee bill authorizes $19 million for the conservation program for the next two fiscal years, compared to $17 million authorized for the first 2 years, of which $10 million was appropriated.

Fifth. Section 204 of the act was designed to encourage the establishment of timber development organizations; $1 million of the $5 million authorized was appropriated, of which $900,000 remains available. This authorization has not been extended.

After receiving testimony directed to the opportunities for better utilizing the native hardwoods of the Appalachian region, our committee came to the view that the funds can best be used in research. The bill includes authority for the Secretary of Agriculture to carry out research which will contribute to the development of new and improved uses of Appalachian hardwood resources, improved processes and methods, and new markets for hardwood products. The committee bill authorizes appropriations of $4 million during the next 2 years for such investigations, studies and demonstrations—in effect replacing the authorization unused for the timber development organizations.

I am glad that this new section has been included, because it seems to me that one of the great but neglected resources of the region is its hardwood. And with all the research programs of the Forest Service and others, relatively little effort has been directed to this field. Hard maple, birch, cherry are valued furniture woods. We all know, too, of the great demand for and serious shortage of walnut, and that this demand will increase. I believe we should give attention to cultivating walnut and other fine hardwoods, planning for their future use, just as the soft pine and pulpwoods are now cultivated and grown for a specific market.

Sixth. Section 205 of the act authorizes a program of mining area restoration which includes financial contributions to the States to seal and fill abandoned coal mines, to extinguish underground and outcrop mines fires, and to expand fish and wildlife restoration projects in the region. The authority to reclaim and rehabilitate existing strip and surface mine areas, however, is limited by the

Lausche amendment to lands owned by Federal, State, or local bodies of government.

This section also authorizes the nationwide study of a long-range program for strip mine reclamation, by the Secretary of Interior in cooperation with the Secretary of Agriculture and others, which is in the final stages of preparation and will be submitted by the President to the Congress by July 1 of this year.

The committee bill maintains the mining area restoration program, adding the authority to seal abandoned oil and gas wells, to reclaim lands affected by coal processing, including waste piles, and to participate in mining area restoration projects including reasonable planning, engineering, and land acquisition costs up to 75 percent.

The bill authorizes appropriations of $39.15 million for the next 2 fiscal years for this work, compared to $36.5 million for mining area restoration the first 2 years, of which $24.85 million was appropriated.

Seventh. One of the most important provisions of the Appalachian Act, less noticed but having great potential, is contained in section 206 authorizing the water resources survey by the U.S. Army Corps of Engineers. For it will be the plan and the criteria developed by this survey which will determine the flood control measures, and the fuller utilization of the streams and rivers for industrial and municipal development and enhancement of the recreation opportunities of the region.

The region is one blessed with rainfall and countless streams. In fact, the narrow valleys cut into the plateau by these streams, and the quickening floods aggravated in recent years by surface mining, are among the most serious problems of the region. It is to turn this source of trouble into a resource for development that we look to the survey. The plan prepared by the Secretary of the Army will soon be submitted to the Commission, which will forward it to the President with the Commission's views, for transmittal to the Congress at the end of next year with the recommendations of the President.

The committee bill authorizes appropriations of $2 million to complete the water resources survey, compared to $5 million authorized for the first 2 years, of which $3.3 million was appropriated.

Eighth. The committee bill adds a new section 207 to the act, authorizing the Secretary of Housing and Urban Development to establish an Appalachian housing fund, to be used principally as a revolving fund. Loans from this fund could be made up to 80 percent of the cost of planning housing projects intended to qualify for insured mortgages under section 221 of the National Housing Act.

It is believed that section 221 has not been utilized in the region because of the difficulty of raising local costs for preliminary surveys and site engineering, site options, and FHA and other initial expenses, most of which can be recaptured by local sponsors and returned to the revolving fund when the construction loan insured by FHA is made.

The committee bill authorizes appropriations of $5 million for loans and grants for planning these housing projects.

Ninth. In addition to the new programs—part A of title II—I have just described, the Appalachian Act provides in part B of title II supplements for existing programs.

The first of these, and very important, is the provision of vocational education facilities, under section 211 of the act. The committee bill authorizes appropriations of $18 million for the next two fiscal years, compared to $16 million authorized for vocational education facilities the first 2 years, all of which was appropriated.

The committee bill amends the act to permit these grants to include the cost of equipment of the vocational training facilities constructed under this authority, and equipment of other school facilities needed to provide vocational education in the region.

Tenth. Section 212 of the act provides grants for sewage treatment works. These funds supplement those provided the States under the Federal Water Pollution Control Act, and are not allocated until the States regular allotments have been made. The committee bill authorizes appropriations of $6 million for sewage treatment works the next 2 fiscal years—the same as the authorization for the first 2 years, all of which was appropriated.

Eleventh. Perhaps the most effective and important program under the act, except for the development highway system, is that providing supplements to Federal grant-in-aid programs, through section 214. Under this authority, a wide variety of existing Federal-State cooperative programs may be supplemented with Appalachian funds, but in no event to excede a total of 80 percent Federal share.

It is this section 214 which has provided the States and the Commission with the flexibility to adapt the Appalachian program to the highest priority needs of each State, to make the most effective use of the funds appropriated, and to better utilize within the region the programs previously enacted by the Congress for the country—but which time and again we have seen used first in the more fortunate areas which have available local matching.

It is this principle, also, which the committee hopes will be extended to the other regions, formed under the Economic Developement Act, and for which title II of S. 602 authorizes the appropriation of initial funds.

While the act specifies programs such as those authorized by the Federal Water Pollution Control, Watershed Protection and Flood Prevention, Public Health Service, Vocational Education, Library Services, Federal Airport, Communications, Higher Education Facilities, Land and Water Conservation, and National Defense Education Acts, the supplemental grants are available for any of the existing grant-in-aid programs, and the bill includes future grant-in-aid programs as well.

The committee bill transfers the authority to approve these grants from the Secretary of Commerce to the Commission, which will continue to work through the line agencies responsible for each program. It was the judgment of the committee that parallel approvals and liaison between the operating agencies and the Department of Commerce resulted only in duplication and delay.

The committee bill authorizes appropriations of $97 million for section 214 supplemental grants for the next 2 fiscal years, compared to $90 million authorized for the first 2 years, of which $75 million was appropriated. I am informed by representatives of the Commission that the additional $7 million is occasioned by the inclusion in the bill of the State of Mississippi.

Twelfth. Following testimony received by the committee from Rabbi Siegel, chairman of the West Virginia Arts and Humanities Council, Dr. Ernest Nesius of the Center for Appalachian Studies and Development at West Virginia University, and Dr. Perle F. Ayer of the Council of the Southern Mountains at Berea, Ky., and others expressing interest in the broader social and cultural development of the region, the committee included a new section 115 of the act, to provide grants for cultural programs through the National Endowment of the Arts. The bill authorizes appropriations of $500,000 for this purpose.

Thirteenth. The general provisions in part C of title II of the act, requiring maintenance of effort by the States and the consent of the States, and setting forth the program development criteria, and the procedure for the initiation, submission, and review of applications for projects and programs, remain substantially as enacted in 1965.

In restating section 223, and later section 303, the language adopted by the committee emphasizes that applications shall be initiated within the States, shall first be evaluated by the State member of the Commission, be approved by the State member as meeting the requirements for assistance under the act—and that no project shall be implemented until, first, the application has been determined by the responsible Federal officials to be compatible with the applicable Federal laws he administers, and, second, specifically approved by the Commission following its determination that the project meets the program development criteria of the act, "which determination shall be controlling."

Fourteenth. Title III of the act authorizes grants for the administrative expenses of local development districts and for research and demonstration projects. The committee bill transfers the authority to make these grants from the Secretary of Commerce to the President, through the Commission.

The committee bill authorizes appropriations of $10 million for this purpose for the next 2 years, compared to $5.5 million authorized for the first 2 years, nearly all of which was appropriated.

In an important new provision added to section 302, the committee bill directs the Commission to undertake a comprehensive survey of acid mine pollution in the region. The Commission report and recommendations are to be submitted to the President, for transmittal

with his recommendations to the Congress by March 31, 1969. I consider this to be one of the most significant new provisions developed during the course of our consideration of the bill, which authorizes appropriations of $3 million for this purpose.

Fifteenth. Title IV of the act contains the authorization of appropriations for the nonhighway programs of the act, the Davis-Bacon provision, and the definition of the Appalachian region.

The committee bill authorizes $273,650,000 for the 2-fiscal-year period ending June 30, 1969, for the Appalachian programs other than the development highway system and local access roads, compared to $252,400,000 authorized for the first 2 years, of which $167.29 million was appropriated.

New section 401 authorizes the appropriation to be made to the President, for transfer by him to the operating agencies or the Federal Cochairmen as required, with the intention that representatives of the Commission be enabled to testify before the committees of the Congress on funding of the Appalachian programs.

The Appalachian region has been enlarged by the committee bill, following the consideration in the subcommittee and votes on this question in the full committee, to include the State of Mississippi—18 counties—two additional counties in Alabama, and one additional county in New York.

Sixteenth. In addition to the amendments to the Appalachian Regional Development Act of March 9, 1965, the committee bill S. 602 contains a second title, amending title V of the Public Works and Economic Development Act of 1965. It would provide in the other regions supplements to Federal grant-in-aid programs, as I have noted. The new section 509 of the EDA conforms to section 214 of the Appalachian Act, which has proved its value, and the bill authorizes the appropriation to the Secretary of Commerce for each of the regional commissions $5 million for fiscal 1968, and $10 million for fiscal 1969.

IV

I think it is correct to say that this 2-year extension of the nonhighway programs will be helpful—but is realistic and modest in terms of the need. For example, the road funds will not provide the full 70–30 matching on the development highway system contemplated by the original act; the States will have to bear its increased costs, and one-half the cost of providing four-lane rather than two-lane highways where this is desired.

The limited funds available for sealing abandoned coal mines and extinguishing underground fires will not begin to touch the vast need for reclamation of the despoiled countryside and stripped wastelands.

This program will not construct the health facilities needed in the region—but can establish a small number of demonstration projects to point the way.

It can help construct a realistic vocational education system only where a State is willing, as in Kentucky, to utilize nearly all the nonhighway funds allocated to the State for this purpose, foregoing supplements for airports, sewage plants, colleges, watersheds, and other needs.

The modest housing loans for projects in growth centers does not attempt to reach the basic need for improved rural housing throughtout the region.

The water resource survey provides no reservoirs for flood protection—but we hope it will show where future works may be constructed most effectively and with greatest benefits.

It will not replace the need for sewage treatment plants under the Water Pollution Control Act and other authorities.

I mention these broader needs, which our committee considered to be beyond the scope of this bill so it will be known that there is no attempt in this bill to cure the problems of the region, which are vast. Rather, it is an effort to lay the groundwork for economic development within the region—to make it possible to get in and get out, and for some industry, doctors, nurses, and better teachers to be attracted to the region.

To illustrate that the Senate committee bill is a reasonable one—authorizing about the same amount for the second 2 years as for the first 2 years, although most programs expand—I would mention that other proposals have been earnestly advanced, including a House bill authorizing nearly 5 times the expenditures included in this bill—$1,117 million more for highways, rather than $175 million; $1,027 rather than $273 million for other programs—which I am sure could be used if the Congress were willing to appropriate funds for Appalachia on such a scale.

V

In 1964, when the Appalachian program first came before the Senate, I pointed out that some considered that the bill proposed preferential treatment for the Appalachian area. In one sense, that is true, but we must also think of the national interest—just as we do when we consider programs which meet other needs across the country.

Of course I am interested in the program partly because it would help my own State, and I must admit that, but I also believe there is a great national interest involved in giving new opportunity to the men, women, and children of the area who will be living and working in the region and toward our national goals.

For several reasons, which are apparent to those who have lived in this area, the development of this section of the United States has fallen behind that of other sections of the United States. In the first place, the region has been isolated and inaccessible—much of it so since the founding of the Republic. The topography of the area has increased the cost of roads and other means of transportation, which we all know is the base of industrial development and even our farming economy. As a result, the development of the region has lagged.

Furthermore, the natural resources of the area have primarily been coal and timber. While those resources provided employment in the past, the new technology in coal mining—the mechanization of the mines—has greatly reduced the number of persons employed. In my State of Kentucky, at the close of the war some 70,000 miners were employed, but today less than one-third the number are employed who earned their living from coal a few years ago.

These factors have resulted in a continuing low tax base for the area. This has made it difficult for the local governments to provide the framework for development which has proceeded so rapidly in many other States of the Union.

Conditions in the Appalachian region have involved human consequences. I cannot speak for every State. However, I know something about the region of eastern Tennessee and West Virginia, and I know about conditions in eastern Kentucky, because I live in that area. I do not live in a county which is one of the very depressed counties of the area, but I live on the edge of that region in eastern Kentucky. My family has lived there for 180 years, and I have travelled through it again and again since I was a boy. For years, I have gone up and down the streams and valleys through the entire area, and I have been on many campaigns in every county in the region.

Some 42 percent of the population of the United States have had a high school education, but unhappily, in the Appalachian region less than one-third of the population have been able to complete a full high school education. Still, I should say at this point that in eastern Kentucky the greatest percentage of local tax revenue in the entire area is applied to education—some 75 percent of the tax revenues being used for education, even though its per capita revenue has been the lowest in the region.

In eastern Kentucky, I am unhappy to say, the average income has been the lowest in the region, as has the rate of employment. Doctors are hard to find who will settle in a community unless it has hospital facilities. The young doctors now coming out of the medical schools can go into the big cities and earn large incomes in a few years. They do not wish to go into these areas unless hospital facilities are available. Nevertheless, the spirit and the individualism of the people in these areas have remained high.

In this region live people of pioneer stock, ever faithful to our needs in war, and loyal to our country through many generations. There are no stronger, more dignified or intelligent people in any region of the United States, and they remain determined and uncomplaining. Some parts of the area in which these people live have reached a degree of prosperity, but many thousands of people, because of the conditions I have described, have been passed by—while other Americans in other sections of our country were achieving increasingly higher standards of living.

To summarize, first, this is not a crash program. Second, it is not a program which has for its immediate purpose the relief of unemployment, although that will be one of its good effects. It is a program to establish requirements in these areas for industrial development and farm development, which we know to be necessary; also for transportation facilities, for additional development of water resources and small watersheds, and for construction of health facilities

and other public facilities—simply to build up this whole region.

VI

The distinguished senior Senator from West Virginia and I each represent sister States which have in common the most acute economic problems in the Appalachian region.

I believe that there is no dispute over the necessity for continuing a special Federal-State effort in this region. The Appalachian Act was passed after a thorough appraisal of the needs of the region, and of the willingness and ability of the Appalachian States to join in an effort to promote economic growth and development and the advancement of the people of the region.

I believe it fair to say that the Appalachian program has established an outstanding record during its first 2 years of operation. The administration of this program has been one of steady progress, particularly in terms of directing the investment of the public funds appropriated for the Appalachian region in such a way as to make the greatest impact on the economic development of the region.

Of primary importance is the highway development program. Construction is well underway on the Appalachian Development Highway System, a network of modern highway corridors cutting through the area, designed to end the historic physical, economic and social isolation of this upland region.

In addition, one variety of public facility projects, ranging from vocational education centers and hospitals to airports and pollution control facilities, are rising on foundations calculated to provide a base of permanent strength to the economy of Appalachia.

The Appalachian program, in its first 2 years, has demonstrated that a State-Federal partnership does work, and that the States will assume their responsibility. The States initiate projects, establish priorities within the total assistance available, and make the original determination as to where State and local funds can be best invested for the public benefit.

I have strongly supported the provisions in the Appalachian Act giving each State initial responsibility for project approval—and to the Commission itself, composed of the Governors with a Federal and State cochairman, effective program responsibility and authority for administration of the act.

The idea of a regional development program for Appalachia began in the States, and was supported by the Appalachian Governors. The Congress made a sound judgment in insisting that the knowledge and experience of the States and their ability to deal with their own problems be used. I believe this successful example of State-Federal cooperation should be applied to many Federal programs.

VII

Because of its importance, I will discuss briefly what I believe to be the most significant new features of the Appalachian experience, and of S. 602.

First, as I have noted, the Governors are given the responsibility of proposing how Federal funds shall be invested for best use in their States. All projects which come before the Commission for funding approval must first be approved by the Governor. While it is true that the Federal cochairman does have a veto, it has not been necessary to use his veto in these past 2 years.

Most Federal-State cooperative programs, on the other hand, are accomplished through a relationship between a Federal agency and its State counterpart agency. Very often, little opportunity is given the State to participate in decisions that have a profound impact on the welfare of the people of the State.

Second, the Appalachian program vests responsibility for whatever decisions are made at the State level with each Governor. He is responsible for developing plans for the use of Appalachian funds. In doing so, as a practical matter, he must relate the Appalachian investments to those provided through other resources—Federal, State and local. He must determine priorities and decide which projects submitted from the local level best meet those priorities.

No project comes before the Appalachian Commission, and hence before any Federal agency, without State sponsorship and approval. There is no opportunity for the Federal Government unilaterally to approve a project or program without the approval and support of the Governors responsible to the people of their States.

Third, another important accomplishment has been the development of a new degree of interstate cooperation and coordination, in planning between the States for broad regional development.

HIGHWAYS

In the history of our country, transportation has been the key to opening up new areas for development. The economic growth of the United States has been closely related to the development of the waterways and railroads, and in more recent years, highways. Appalachia, however, has been isolated from the mainstream of national commerce and, since the early days of the Republic, this has been a basic cause of the region's economic problems.

Although Appalachia lies between the major markets of the eastern seaboard and the midwest, traffic and commerce have flowed around the region, rather than through it. Because of its rugged and mountainous terrain, narrow valleys, and many streams, roadbuilding in the region is difficult and expensive and because of an inadequate tax base for financing costly highways in this isolated region, a network of roads and highways that other areas of the country now enjoy, has been denied.

The Appalachian Act recognized this basic problem, and established a development highway program to cut through and open up Appalachian and join with interstate roads in other States. The pace, design and construction of the Appalachian highway system, the foundation upon which the economy of the region must be built, has been the initial work and concern of the Appalachian Regional Commission. The highway funds were allocated without dispute among the States. The basic decisions and corridor selections have now been made, the system planned, and construction is underway.

Of the 2,350 miles of development highway construction initially authorized by the act, 410 miles are in Kentucky. They traverse the most isolated area of eastern Kentucky. I am very glad that in eastern Kentucky, some 207 miles, more than half of Kentucky's total Appalachian mileage, is in some phase of construction, at a total estimated cost of $152 million, including some $95 million in Appalachian funds. The Commission has approved 790 miles for construction in all the States, at a total estimated cost of $690 million, including $387 million in Appalachian funds.

EDUCATION

The needs of Appalachia require greatly expanded efforts in the fields of education and health, for highways alone cannot do the job.

Kentucky is making its great effort, under the nonhighway programs, toward the construction of a system of area vocational schools. Supplemental grants have been approved by the Commission for 21 of these schools, now having an enrollment of 3,843 and planned for a total enrollment of 9,441, which are part of an areawide system of 37 vocational schools.

In Kentucky, the supplemental grant-in-aid funds are also being used to help build a network of educational television stations, and a total of $3.7 million in section 214 funds has been approved for the vocational education expansion and the new educational television facilities. These projects, it seems to me, are precisely the kind which the Congress had in mind in approving the supplemental grant program. The school districts sponsoring these facilities would not otherwise have the funds required to build them. But these schools will now have greatly improved capacity to provide training for jobs in today's economy.

This section 214 supplemental grant program has, in effect, provided "seed money." On the basis of grants approved up to January 1, 1967, every dollar of section 214 money supplemented $1.85 in other Federal funds, and was matched by $1.90 in State and local money.

Of the $45 million in supplemental grants expended under the Appalachian program in its first year and a half, more than 90 percent has gone for construction of vocational education and college facilities, hospitals, sewage treatment plants, libraries, and airports. This is extremely important not only in terms of helping meet the critical needs in these areas, but also in stimulating additional State, local, and private investment in the region.

HEALTH FACILITIES

Recognizing that the Hill-Burton and other Federal programs have not been fully applicable to the needs of people beyond the service areas of urban centers, the Appalachian Act authorized the construction of demonstration health centers. The purpose is to demonstrate new techniques for the delivery of adequate health services to selected areas of Appalachia.

The report of the Commission's Health Advisory Committee documents the need for better health care in Appalachia, and particularly in eastern Kentucky. It points out that the most pressing need is to meet the critical shortage of doctors and nurses in the region. While nationally 140 doctors serve 100,000 persons, in Appalachia the average is 92, and in eastern Kentucky only 60 doctors care for 100,000 people. The shortage of registered nurses is even more pronounced. In several counties in eastern Kentucky, the nurse-patient ratio is 32 per 100,000, compared to 300 for the United States as a whole.

I mention these facts because in recent years the Congress has voted substantial sums for medical school construction, medical libraries, and for loans and grants to medical students. We have only begun, however, to address ourselves to the problem of finding means to bring the general practitioner and nursing services to these isolated and rural areas.

APPROPRIATIONS METHOD

A final change in the act authorizes the appropriation of Appalachian funds to the President, permitting its transfer to the appropriate Federal departments upon direction of the Appalachian Regional Commission. The intention is to afford Congress the opportunity to review appropriations for the Appalachian program as a whole.

Until now, the Appalachian items in the President's budget have come to the Congress piecemeal. The highway money, for example, has been carried in the Department of Commerce budget; the vocational education construction money in the budget of the Department of Health, Education, and Welfare; the land stabilization funds in the Department of Agriculture budget; the mine area restoration funds are by the Department of the Interior.

The proposed change is intended in no way to turn the Commission into an operating agency. Following approval by the Commission, the release of funds would still be made by the appropirate Federal agencies. Normal administrative regulations, standards, and criteria would continue to be applied by each operating agency. The proposed change would, however, afford all of us an opportunity to consider appropriations for this program as a whole, rather than as items disbursed in a half dozen departmental budgets.

VIII

I am concerned about the proposals to extend the boundaries of the Appalachian area even though I recognize that these proposals flow from the success of the program and enthusiasm for it.

In the committee, I opposed any enlargement of the Appalachian region, and voted against each proposal to extend the Appalachian area as now defined by statute. In doing so, I want to make clear that I did not attempt to judge the relative merit of these proposals, or to deny a priori their claim to become a part of Appalachia.

I did so because I believe that if areas are designated as "Appalachia" before firm criteria for inclusion in the region have been established, it will weaken the concept of an Appalachian program for States and counties having similar characteristics such as isolation within rugged terrain which have caused their development to be retarded. No such criteria have been established in the Congress.

I have stated my position in my supplemental views, included as part of the report to the Senate by the Committee on Public Works. I point out there, that many members of the committee, and I am sure of the Congress, believe the Appalachian example offers great hope for the application of its principles to other regions, and to other programs. But if enlargement of the area without criteria and the appeals for further enlargement, sure to follow, cause this particular region to fail, it will tarnish the bright opportunity we have to build on this State-Federal experience in other regions and in other programs.

It was for this reason that I offered in committee section 123(b) of the bill. Further, it is my understanding that it is the sense of the committee, in which the chairman concurs and which I support, that additional proposals to enlarge the Appalachian region will not be entertained, either by the Commission or by our committee, unless and until specific criteria for better defining the Appalachian area, in both physiographic and economic terms, are developed, heard, and adopted.

Similarly, I moved to add subsection (f) of new section 509 of the Public Works and Economic Development Act, as companion language to that added by the committee in subsection (a). These sections make clear that in the regions now getting underway, applications for assistance shall initiate in the States, with State responsibility for their first approval, and that the regional commissions shall have true responsibility and authority.

I consider the bill reported by our committee a good bill—helpful but moderate in its reach, forward looking but practical in approach. I support it, as I have the concept from its very beginnings in Kentucky and West Virginia, and am glad to work for its early adoption by the Senate.

Mr. RANDOLPH. Mr. President, I wish to express my genuine thanks to the distinguished Senator from Kentucky. He has been most cooperative in this endeavor. I know that he agrees that cooperative effort has been the keynote of this program. It is in this spirit of cooperation that the Committee on Public Works has brought this bill to the Senate for action.

ADJOURNMENT

Mr. RANDOLPH. Mr. President, if there is no further business to come before the Senate today, I move, in accordance with the order previously entered, that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock p.m.) the Senate adjourned until tomorrow, Thursday, April 27, 1967, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 26, 1967:

FEDERAL RESERVE SYSTEM

William W. Sherrill, of Texas, to be a member of the Board of Governors of the Federal Reserve System for the unexpired term of 14 years from February 1, 1954, vice Charles Noah Shepardson, resigned.

IN THE U.S. COAST GUARD

The following officers of the Coast Guard for promotion to the grade of lieutenant (junior grade):

David A. Carter
Harry W. Clarke
Armand L. Chapeau
Michael J. Blaschum
Bruce T. Collings, Jr.
David A. Bailey
Kermit Johnson
Freddie R. Lewis
Frederick K. Patterson
Paul L. Hooper, Jr.
William F. Golden
Jack L. Conerly
Joseph F. Gall
James V. Sorce, Jr.
Billy R. Warren
Gary L. Hutchens
Bertram "B" Townsend
Richard J. Burke

The Committee will look with strong disfavor on any developments under the State programs that involve luxury types of development in general, and it feels that the Bureau of Outdoor Recreation in approving State plans should give the very lowest priority to resort hotels and motels that can be funded by private financing.

For other items of interest to this Department see Digest 61, issued Apr. 24.

2. APPROPRIATIONS. The Appropriations Committee was given until midnight Fri., Apr. 28, to file "a privileged report on the second supplemental appropriation bill for fiscal year 1967." p. H4741

3. 4-H CLUBS. Rep. Matsunaga commended the work of the 4-H Clubs. p. H4774

4. ECONOMIC AID. Rep. Patman inserted the speech of Secretary of Treasury Fowler at the inaugural session of the Inter-American Development Bank in which he congratulated the Bank Management "on selecting as the topic for the deliberations of the Round Table this year, 'Latin American Agricultural Development in the Next Decade.'" pp. H4775-6

5. FARM PROGRAMS. Rep. Shriver inserted a number of resolutions adopted by the Farmers Cooperative Commission Co. relating to agricultural and farm matters. pp. H4782-3

6. POLLUTION. Rep. Cramer stated that progress under the Clean Water Act "is bogged down...with governmental redtape." pp. H4789-90
   Rep. Howard inserted a speech on the "need for accelerated research in water pollution" and its impact on industry. pp. H4821-2

7. FOOD STAMP PROGRAM. Reps. Gallagher and Annunzio urged continuance of the food stamp program. pp. H4814, H4819-21

8. POVERTY. Rep. Rees expressed pleasure that community action agencies have included consumer education programs as part of their local war against poverty. p. H4821

9. CONSERVATION. Rep. Morse, Mass., inserted a speech of Rep. Brown, Ohio, which he stated showed concern for the preservation of our natural resources, and the urgent need for comprehensive planning. pp. H4784-6

SENATE

10. APPALACHIA. Passed, 68-13, with amendments S. 602, to revise and extend the Appalachian Regional Development Act of 1965. pp. S5982-6007

11. LIVESTOCK. Sen. Hruska discussed "the critical role livestock plays in maintaining a healthy agricultural economy" and inserted an article on this subject. pp. S5960-1

12. FOREIGN AID. Sen. Morton inserted a speech on "The Case For Foreign Aid." pp. S5971-3

13. 4-H CLUBS. Sen. Sparkman commended the work of the 4-H Clubs and inserted an article by one of its members, "What I Have Done and Learned in 4-H Clubs." pp. S5970-1

14. TRUTH-IN-LENDING. Sen. Proxmire inserted testimony by a AFL-CIO official in support of S. 5, the truth-in-lending bill. pp. S5973-4

15. PLANNING. Sen. Mondale inserted an article in support of his bill S. 843, the proposed Full Opportunity and Social Accounting Act of 1967. pp. S5974-5

16. FLOOD CONTROL. The Public Works Committee reported without amendment H. R. 8363, to authorize additional appropriations for prosecution of projects in certain comprehensive river basin plans for flood control, navigation, etc. (S. Rept. 196). p. S5945

17. CIVIL SERVICE. Received a GAO report on financing the civil service retirement system. p. S5944

18. GRAIN SHIPMENTS. Received a resolution from the Wis. Legislature urging Congress to direct the Secretary of Agriculture to cooperate with State officials on State laws regulating the grain shipping industry. p. S5944

19. TAX SHARING. Received from the Ga. Legislature a resolution urging Congress to enact legislation to remit to the States a portion of income tax revenue paid to the U. S. p. S5945

20. COSPONSORS. Sens. Monroney and Harris were added as cosponsors of S. 1423, providing for new legislative authorization on small watersheds. p. S5960

ITEMS IN APPENDIX

21. SOIL CONSERVATION. Extension of remarks of Sen. Monroney commending soil conservation districts and urging observance of Soil Stewardship Week. p. A2063

22. FOREIGN TRADE. Rep. Moorhead inserted an article, "Shortsighted View of Trade." pp. A2063-4

23. MEAT IMPORTS. Extension of remarks of Rep. Mathias, Calif., urging passage of bills to restrict imports of meat and meat products and stating that "Farm parity ratio for the past 2 months at 74 is the lowest since 1934." p. A2069

24. WAGE-PRICE CONTROLS. Extension of remarks of Rep. Gardner inserting an article, "The Case of the Missing Wage-Price Controls", "dealing with an apparent change in course by the Johnson administration and what caused it." pp. A2077-8

25. FOOD STAMP. Extension of remarks of Rep. Sullivan urging defeat of committee amendments to the food stamp bill, and inserting an article in support of the program. pp. A2082-3

26. FOREIGN AID. Rep. Frelinghuysen inserted David Rockefeller's address, "The Case for Foreign Aid." pp. A2087-9

BILLS INTRODUCED

27. VEHICLES. H. R. 9380 by Rep. Blatnik, to authorize the expenditure of appropriated funds for insurance covering the operation of motor vehicles in foreign countries; to Government Operations Committee.

television presently offers. We have, he says, a "shining vision of the true role of television as the long awaited cultural Messiah."

I find Mr. Loevinger's attitudes toward television, and his personal attacks on Fred Friendly, unjustified and irresponsible. His apparent vendetta against Mr. Friendly obviously biases his judgment regarding the mexits of the Ford Foundation proposal now pending before the FCC. Loevinger's speeches raise serious doubts about his fitness to carry out his responsibilities on the Federal Communications Commission.

JUDICIAL BACKLOG

Mr. HRUSKA. Mr. President, for the past 3 days, the Subcommittee on Improvements in Judicial Machinery, of which I am privileged to be ranking minority member, has been listening to testimony relating to S. 915, a bill to provide for the establishment of a Federal Judicial Center.

On Tuesday of this week the members of the subcommittee were privileged to have testify, among other notables, Judge Harvey M. Johnsen, formerly chief judge and presently senior circuit judge of the Eighth Circuit Court of Appeals. I have had the honor to know Judge Johnsen for many of the 29 years he has served on the bench, both on the Nebraska Supreme Court and on the Federal appellate court, and respect his expertise concerning the operation and problems of the Federal courts.

In his statement, Judge Johnsen, points up the present situation of the courts, and emphasizes the increased backlog of cases in the courts of appeals. He states that:

> In condensation of this aspect—there has been occurring in the Courts of Appeals since 1960 a marked and progressive increase in filings, with the number of appeals rising almost 70 percent in the last five years alone. But more ominously, the pending cases at the end of each fiscal year have grown from a backlog of 2,220 in 1960 to one of 5,387 in 1966, or an increase of 140 percent.

Judge Johnsen mentions other problems facing the Federal courts, including places of holding court and division points. As the judge explains:

> The matter of holding Federal Court at places within 25 or 30 miles of each other, of continuing the archaic artificialities of division points, etc., is modernly absurd.

In this connection, a few years ago, I had the opportunity to aid in the abolishment in the State of Nebraska of division points and reduce the places of holding court from eight to three.

We will have to wait until all the evidence is in before we decide whether the approach of S. 915 is the answer, or whether some other attack is needed. However, I recommend Judge Johnsen's statement to those who are interested in the current problems of the Federal judiciary, and suggestions for its improvement.

Mr. President, I ask unanimous consent that the statement of Judge Johnsen be inserted at this point in the CONGRESSIONAL RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF HARVEY M. JOHNSEN, FORMERLY CHIEF JUDGE AND PRESENTLY SENIOR CIRCUIT JUDGE OF THE EIGHTH CIRCUIT

To the Chairman and the Members of the Subcommittee on Improvements in Judicial Machinery, of the Committee on the Judiciary of the U.S. Senate:

My appearance here is because of a request by Mr. Finley, Chief Counsel for the Subcommittee, to which I am, of course, glad to respond.

This is my twenty-ninth year of judicial tenure and service—two years on the Nebraska Supreme Court; the rest on the Federal appellate bench; and with service as Chief Judge of the Eighth Circuit for a substantial number of those years. It further has been my privilege, through some 23 or 24 years successively, to have served on a variety of the Committees of the Judicial Conference of the United States covering the range of Supporting Personnel of the Courts, Responsibilities and Powers of the Judicial Councils, Geographical Organization of the Courts, Implementation of the Criminal Justice Act, Judicial Statistics, and perhaps another special area or two which I have not taken the time to recall. All this, together with my membership and active participation in the Judicial Conference of the United States during the years I was Chief Judge has given me, I think, a fairly broad perspective and a somewhat definitive insight—or in any event a strong personal interest and a deep judicial concern—as to the condition, the operation and the problems of the Federal courts.

I have been for the past seven years Chairman of the Committee on Judicial Statistics, among whose functions has been to attempt to give direction to the gathering of information on the condition and the work of the Federal courts both in their individual and their system status; to have this information be as practical and meaningful as possible for portrayal and analytical purposes; to keep watch of such particular indications and general trends as the information points up, or contains persuasive implication of that appear to be developing; to call these aspects to the attention of the Judicial Conference; and to make evaluation and recommendation periodically to the Conference of such additional judgeships as in the Committee's considered judgment seem to be soundly necessary to meet the situation.

It is the spectre presented by the statistics that in my judgment underlies a fundamental part of the need, at least an urgent, immediate aspect of it, for the creation of a Federal Judicial Center—which proposal the Subcommittee is here considering. The suggested Center is intended, of course, as the statement of its purposes in the Bill indicates, to serve long-rangedly and progressively to aid the Federal judicial system in dealing with its problems and improving itself. But I think it can in shorter range—within a period of three to five years perhaps (and I speak here only my personal opinion)—enable us to get at some effective means, in concepts, machinery and unified practices, that can alleviate our present statistical spectre or at least bring within some control the threat of future overwhelmingness.

It was the thought of Chief Counsel Finley, I believe, that a brief indication of the present situation of the courts and how it has been developing might perhaps be helpful in bringing this problem into relationship to a Federal Judicial Center, or that it would at least serve to set up the background against which any attempt to aid or improve the Federal courts cannot escape being viewed.

The situation is, I am sure, generally familiar to all the members of the Subcommittee, and I shall use only a few simple brush-strokes to put it on the canvas here. The easiest thing for me to do first is merely to repeat the aspect which the Committee on Judicial Statistics called to the attention of the Judicial Conference at its most recent session—the situation existing as to the Courts of Appeals, which has not had the focus that has been made upon the District Courts, but which is now reaching proportions that are similiarly disturbing.

In condensation of this aspect—there has been occurring in the Courts of Appeals since 1960 a marked and progressive increase in filings, with the number of appeals rising almost 70 percent in the last five years alone. But more ominously, the pending cases at the end of each fiscal year have grown from a backlog of 2,220 in 1960 to one of 5,387 in 1966, or an increase of 140 percent. In fact, at the end of the first half of the present fiscal year, this had further risen to an all time high of 5,714, with a virtual certainty of a still further addition by June 30, 1967, the end of the present fiscal year.

It is to be noted that this has been occurring in spite of the fact the number of terminations per existing judgeship has markedly increased during that period—from 55 cases in 1960 to 76 cases in 1966. The portentous element in the picture, however, is the fact that there has not been a time from fiscal 1960 on when the number of terminations has been able to keep pace with the number of filings. The result is that, where the number of cases pending or the backlog stood at 32 per judgeship at the close of fiscal 1960, it had mounted by the end of fiscal 1966 to 69 per judgeship. And even as to the 1966 situation, it must further be stated that almost all of the Courts of Appeals had called on outside help (primarily district judges) in the hearing load which they had disposed of during that year. For example, in one circuit there had been a use of 36 percent of outside judgepower, and in another approximately 20 percent.

To be correspondingly brief as to the situation of the District Courts, I shall only mention that the civil filings in those Courts increased from a total of 58,293 cases in fiscal 1961 to 70,906 in fiscal 1966; and that while, as with the Courts of Appeals, the number of terminations has materially risen (55,416 in 1961 as against 66,184 in 1966, or an increase of about 9,800 cases), the terminations have not been able in any year to keep pace with the filings, so that the accumulation or backlog has grown from 64,128 in 1961 to 79,117 in 1966, or an increase of 15,000 civil cases.

I voiced the opinion earlier that I thought the creation of a Federal Judicial Center could have an immediate relationship in approach to and improvement of the existing situation in both the Courts of Appeals and the District Courts. There must, of course, in whatever such a Center can do in this respect, be sufficient time for sound overall study, appraisal, approval, gaining acceptance and getting placed in operation such structure, devices and practices as may be capable of being suggested. In general, this means to my mind finding workable and acceptable ways of enabling judges to relieve themselves, to the fullest extent possible, of mechanical and administrative tasks which do not call for exercise of the judicial quality and which are without any real judicial significance in their accomplishment.

In other words, I think there is a business or management side to our court system, as distinguished from the judicial side, which is being allowed presently to abide in the judges' offices, and for which we need to find some line of proper separation and some mode of handling that will enable the judges

to free themselves from this unnecessary expenditure of time—except of course in a general responsibility such as they have in relation to the office of the Clerk of the Court.

This is a phase to which we have never been in a position to make any real approach, and yet it is something that I am satisfied has at least a partial responsibility—and a substantial one—for the condition which now obtains in our courts, and particularly the District Courts. Perhaps I can point up one aspect in illustration. Our statistics show that out of the civil cases filed in the District Courts only approximately 12 percent are ever actually tried. This ratio between trials and terminations has remained constant, within a 1 percent range, from 1960 through 1966. Thus, out of the vast accumulation or backlog of such cases which stand upon the District Court dockets, we know with reasonable certainty that some 80 out of every 100 are not going to require judicial time for trial and that getting them off the docket is primarily a matter of finding means and time of subjecting them to some kind of institutional touch and screening that will take them off the bank and put them into movement toward disposition.

Let me hasten to add that while I have used the figure 12 percent as to actual trials, I recognize that there is a substantial number beyond this in which the play of a judicial process such as pretrial conferences has been a material factor and often a controlling one in bringing about disposition and avoiding a trial. But even so, the fact remains that most of the cases which are now standing on the dockets or which will hereafter be filed, while needing some kind of institutional touch or pressure to cause them to get into motion, will thereafter move forward to disposition, once the parties realize that this movement is going to have to continue, and that the touch and pressure will be kept up to see that this occurs.

I am one who believes that there is in this important area a place for some institutional machinery that can be substituted for judicial time, and that a proper study and application to this problem through a Judicial Center should be able to come forth with some kind or some measure of general solution. If this can be done, and if judges can be made to give up the practice which so many of them have of assuming direct responsibility for this aspect, I think we shall have made some material progress toward holding down and diminishing backlog.

I have expressed myself generally and in suggestion only, without any thought of attempting to state what a Judicial Center ought to be expected or will be able to accomplish. I believe I have said enough, however, to make clear my personal opinion that a relationship can be made to exist in a Judicial Center to our present and expanding congestion or backlog problem which should have possibilities beyond the means which have been thus far available to us and the results which we have been able to accomplish.

I should like to add a few words of personal experience as to the third general purpose stated in the Bill—that of providing staff, research and planning assistance to the Judicial Conference of the United States and its committees. This is one of the existing deficiencies under which practically all of the Committees of the Conference have had to labor and which has imposed a material handicap upon their effectiveness.

Using my own experience in illustration—in the most recent effort of the Committee on Judicial Statistics to get at the internal operations and practices of the Courts of Appeals in their relationship to the sound need of these various courts for additional judgepower, we desired to have some field work done or a survey made in order to see if there was anything underlying the statistical picture which detracted from its value or apparent significance in the realtionship of the work of one of these Courts to another.

The Administrative Office did not have a staff whose time could be spared to undertake this widespread task. Fortunately, Mr. Olney, the Director of the Administrative Office, was able to prevail upon Mr. Shafroth. fromer Deputy Director, to do the job for the Committee, despite his retirement, and we were able to get the survey made—but only because of Mr. Shafroth's availability, familiarity and dedication to the judicial system in the particular situation.

Similarly, when, preceding the Omnibus Judgeship Act of 1966, the Committee on Statistics undertook to make a study and evaluation as to each District Court in the country, we found aspects as to which we felt it would not be possible to get at the true picture of judgeship need except by a local penetration into the court situation. We were able to call upon the Administrative Office to have a staff member of the Division of Procedural Studies and Statistics make visits to and explore only a limited number of these local situations.

Again, when the Committee on Geographical Organization of the Courts, of which Judge John Biggs, Jr., was chairman and of which I was a member, undertook a few years ago, at the request of Chairman Cellars of the House Judiciary Committee, to approach this question, we soon discovered that there was little, if anything, we could do in that field because neither the Administrative Office nor the House Judiciary Committee had a staff which could take time to devote itself to the task and we were without any other means of getting it done.

The structure of division points, places of holding court, etc. in our court system bear a direct relationship to the efficiency of the courts and need studying in relation to our congestion situation. The matter of holding Federal court at places within 25 or 30 miles of each other, of continuing the archaic artificialities of division points, etc., is modernly absurd. Senator Hruska of the Subcommittee has some appreciation of this in the effort which he made and succeeded in accomplishing a few years ago of getting all division points abolished in the State of Nebraska and having the places of holding court cut down from 8 to 3 in number. My point here, however, is merely to point out the deficiency which presently exists as to getting any field work done or other necessary study made in this or any other field of committee endeavor, which the Bill for a Judicial Center laudably has as part of its purpose to correct.

To give one further such example—the Committee to Implement the Criminal Justice Act, of which Chief Judge John S. Hastings is Chairman and of which I am a member, has recently, in an attempt to carry out the request of the Congressional Conference Committee to the Department of Justice and the Judicial Conference of the United States to make report on the operation of the Criminal Justice Act, been working with the Department of Justice to have a field study made of how the Act is actually functioning, but here again it has been necessary to try to find some outside way of getting the task done because of lack of staff and means in either the judicial system or the Department of Justice to do the job.

Other Committees are able to provide similar examples as to the need for the Judicial Center Act from this standpoint.

I emphasize in concluding that I have been expressing merely my personal views in what I have said, but in any persuasion which this may contain I do voice the hope that a Federal Judicial Center may be established. I am certain it will be able to provide means for improving the Federal judicial system, which will carry us further along the way than we have yet been able to do.

CONCLUSION OF MORNING BUSINESS

Mr. BYRD of West Virginia. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

REVISION AND EXTENSION OF THE APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. 602.

The PRESIDING OFFICER. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. A bill (S. 602), to revise and extend the Appalachian Regional Development Act of 1965.

The Senate resumed consideration of the bill.

Mr. STENNIS. Mr. President, will the Senator from West Virginia yield?

Mr. RANDOLPH. Mr. President, I have no additional opening remarks.

Last evening, I made a major statement on the previsions of the pending bill, as did the Senator from Kentucky [Mr. COOPER].

I know that the distinguished Senator from Mississippi desires to speak. I will not yield to him but ask that he be recognized.

Mr. STENNIS. It will be all right if the Senator will yield to me for just a few moments.

Mr. MANSFIELD. Mr. President, will the Senator from West Virginia yield to me for 30 seconds?

Mr. RANDOLPH. I yield.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quroum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I appreciate the Senator from West Virginia yielding to me for these few minutes. I wish to highly commend the chairman of the Committee on Public Works, and each member thereof, for the splendid work they have done over the course of the years with reference to the Appalachian program, which I consider to be one of the most valuable ever to come out of Congress.

It has the virtue of being coordinated with the States, their Governors, and their governments. Over the period of the past 3 or 4 years I have conferred closely with the Senator from West Virginia, the chairman, and he has his whole heart in this matter.

An area in my State of Mississippi, really was not considered in the original Appalachian bill. It has now been considered by the committee. It very properly adopted the formula, of admitting a certain number of counties from my State. I thank the committee not only for that action but also because it was

willing to consider the matter. Other counties had been requested, both by me and my colleague [Mr. EASTLAND] to be included, but the committee, in its wisdom and its discretion, adopted a formula which left those counties out.

Even though I am disappointed, I shall yield to the judgment of the committee and go along with it in utmost appreciation, but with the hope that the committee in the course of future events will devise a plan which will include those counties.

Having already said that I know that the Senator from West Virginia gave this matter the utmost consideration, I should like to inquire what his position is now. Do I correctly understand, from private conversations, that he stands on the bill as it is presented now to the Senate and will espouse the cause of the Senate amendment, but that he will oppose any other amendment?

Mr. RANDOLPH. Both the junior Senator from Mississippi and his senior colleague [Mr. EASTLAND], who is now in the Chamber, have worked with me on these matters. The members of the committee gave the most careful attention to the documentation which formed the basis for bringing the Mississippi counties into the Appalachian region.

We have included language in Senate bill 602 to establish a procedure for taking care of this matter of increasing the number of counties embraced in the definition of the region. The committee felt that there might be an overexpansion of the area. It is understandable, that, from time to time, there might be reasons for requests for one or more additional counties to be included. Thus, in order to protect the integrity of the region the following language is included in the pending bill:

> No recommendations for any change in the definition of the Appalachian region as set forth in this section shall be proposed or considered by the Commission without a prior request by the Congress for a study of such change.

In the future, this section would be applicable to areas which might be considered for inclusion within Appalachia.

The 18 counties within Mississippi included in the pending bill are in keeping with the character of Appalachia, although the criteria, are somewhat flexible.

We did not believe that the other Mississippi counties which had also been requested met all of the criteria or were as closely related to an economic planning and development area as are the counties which the committee accepted.

Mr. EASTLAND. Mr. President, will the Senator from West Virginia yield?

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). Does the Senator from West Virginia yield to the Senator from Mississippi?

Mr. RANDOLPH. I yield.

Mr. EASTLAND. What were included were counties in the drainage area of the Tombigbee River, which is typical of the topography of the Appalachian area; were they not?

Mr. RANDOLPH. That is true. I so indicated in my opening statement of last evening, and it in part bears out exactly what the Senator has indicated.

Congress could act, of course, on the question of including additional counties by, as the Senator understands, a committee resolution, as is done when flood control studies are authorized. So we do not block the consideration of counties in the future.

Mr. STENNIS. The Senator wants to get it down to the congressional level, so that Congress will know about it, and the Senate will have the facts in mind and can pass on the matter with the other body?

Mr. RANDOLPH. The Senator has stated it correctly.

Mr. STENNIS. Of course, in the process of legislating on the bill, the House of Representatives can consider this proposal. Members of the House from the State of Mississippi are interested, and if there should be a House amendment that includes these eight counties, or any part of them, I am sure the Senator, with his usual and very fine concept of and approach to this problem would consider what the House had done, if it had acted to include any of these counties in the bill.

Mr. RANDOLPH. Yes. If the matter of including additional counties were involved in conference, I would certainly give very searching consideration not only to the requirements of the Senate position, but also to the points which have been brought out.

Mr. STENNIS. I thank the Senator not only for his position, but also for showing a high level of statesmanship in the legislative process. We both appreciate it.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield to the senior Senator from Mississippi.

Mr. EASTLAND. The Senator from West Virginia has rendered an able and outstanding service. He certainly has been fair to the State of Mississippi. I am going to support the bill. I am going to support the committee's stand. I hope that if certain other counties should be added in the future, they will by all means be considered. I realize that there is a cutoff date. I realize that the distinguished Senator has his problems. He has been mighty fair and square with my State.

Mr. RANDOLPH. I am grateful for the further comment of the Senator from Mississippi. I assure him now, as I have on prior occasions when we have discussed this matter, that we are very conscious of our responsibility to include in the Appalachian region the counties in Mississippi or other States that have valid reason to be included.

Mr. EASTLAND. Mr. President, I support the Appalachian Regional Development Act Amendments of 1967. Of particular interest to me is the addition of 18 northeast Mississippi counties to the Appalachian program.

I have watched very closely the results of the Appalachian program as it has been applied in the several States involved since its enactment. I find this to be one of the best programs ever enacted by the Congress to assist the underdeveloped areas of our Nation.

The program was born out of the desire of the people in the area, working through their Governors with the Federal agencies in a true spirit of partnership. This partnership has demonstrated beyond our fondest dreams what can be done when local initiative and know-how, coupled with our Federal capability, are put to work on economic problems.

I was most happy to join other Senators in cosponsoring the bill before us to extend the life of this program and to enlarge its application. I am grateful to the members of the subcommittee and of the full Committee on Public Works for adding 18 counties in Mississippi to the area designated to participate in the benefits authorized in the bill. I had hoped 26 counties in Mississippi that have a real desire to become a part of this program could be included. The judgment of the committees was such that the area of my State added was limited to those counties that drained wholly or partially into the Tombigbee River.

It is not only desirable but inevitable that northeast Mississippi be incorporated in the Appalachian program. The economic structure of northeast Mississippi is and has been historically an integral and inseparable part of the southern Appalachian region. Geographically, these 18 counties are a part of and contiguous to the southern Appalachian range, sharing common problems and potentialities. It is my firm belief that the addition of these counties to the Appalachian program will be mutually beneficial to all concerned. The States' Cochairman of the Appalachian Regional Commission, the distinguished Governor of West Virginia, was asked this question when testifying before the Committee on Public Works:

> What motivated you and the other Governors to approve the request of Mississippi for inclusion of the 26 counties as a part of the region?

Governor Smith summed it up as follows:

> The Commission was approached in regard to this because of the similarity of the area. A study was made by the Commission staff, to compare the statistics, the level of income, the problems that existed in this particular area. After the report was submitted the Governors studied it and on the basis of the information contained in that report we found that there was a similarity of problems. The counties are contiguous and we believe that they would fit in and would enable this program to be mutually advantageous to the neighboring States, those presently in Appalachia, as well as to those counties in Mississippi.

The Committee on Public Works, having carefully and conscientiously reviewed the recommendation that northeast Mississippi be included within the Appalachian program, summed up their findings in the committee report on S. 602:

> S. 602 recommends the addition of 18 counties in Mississippi. Much of northeastern Mississippi shares common economic, social, and physical characteristics with counties in the Appalachian region. This area of Mississippi exhibits many of the same conditions of deprivation, such as, unemployment, educational lag, health needs, public facilities shortages and lack of adequate access which the Appalachian program is seeking to alleviate in the region.

On page 45 of the report accompanying S. 602 the Committee on Public Works sets forth findings on which it bases the recommendation to incorporate northeast Mississippi in the Appalachian program. I ask unanimous consent that the findings be printed at this point in the RECORD.

There being no objection, the excerpts from the report were ordered to be printed in the RECORD, as follows:

MISSISSIPPI

Almost the entire State of Mississippi shares the conditions of deprivation, unemployment, educational lag, health needs, public facility shortages, and lack of access which are characteristic of the entire Appalachian region.

Population growth in the State of Mississippi in the decade of the fifties was entirely offset by net outmigration of 434,000 persons. This parallels the regional experience for the same period, where a net outmigration of over 2 million persons kept population growth down to 1.1 percent.

Per capita income for Mississippi in 1960 was $966 and over 50 percent of the families in the State had incomes under $3,000, while for the region the corresponding figures were $1,405 and slightly over 30 percent of the families.

Education levels in the Mississippi adult population are lower than those of the region and of the United States. Over 18 percent of the adult population has completed less than 5 years of schooling and only 29.8 percent has completed 12 or more years of schooling. The corresponding figures are 11.6 percent and 32.3 percent for the region, and 8.4 percent and 41.1 percent for the United States, respectively.

Employment in Mississippi underwent the same drastic shifts during 1950–60 as the region. As shown in table 1, there was a shift of far greater proportion than that of the United States out of the extractive industries (agriculture and mining) and an increase in the percentage employed in manufacturing and service industries. However, the ability of the region's, as well as Mississippi's, economy to make opportunities available for those workers released from agricultural and mining employment has been inadequate. This resulted in a decrease of the total number of employed: —1.5 percent for the region, and —4.8 percent for Mississippi, as shown in table 2. This decrease would have been much higher if the high level of net outmigration had not occurred.

TABLE 1.—*Distribution of employment, 1950 and 1960*

	1950			1960		
	Appalachian region	Mississippi	United States	Appalachian region	Mississippi	United States
Agriculture	14.1	42.1	12.4	6.8	20.9	6.7
Mining	9.2	.5	1.6	3.9	.7	1.0
Construction	5.4	5.1	6.1	5.8	6.6	5.9
Manufacturing	27.8	12.6	26.0	32.2	19.2	27.1
Services	43.5	39.7	53.9	51.3	52.6	59.3

TABLE 2.—*Changes in employment, 1950–60*

	Appalachian region	Mississippi	Non-Appalachian United States
Agriculture	—52.5	—47.3	—35.6
Mining	—58.6	27.0	—1.0
Construction	5.7	23.0	10.8
Manufacturing	14.2	44.8	20.6
Services	16.3	26.3	28.1
Total	—1.5	—4.8	17.1

Source: Regional figures from PARC report.

Most of the Appalachian region, as presently defined, falls within the Piedmont, Blue Ridge, Appalachian Valley, and Appalachian Plateau provinces. In addition, portions of Alabama, Tennessee, and Kentucky fall within the province defined as "Interior Low Plateau." A portion of that province falls within extreme northeastern Mississippi, within the counties of Alcorn, Prentiss, Tishomingo, Itawamba, Monroe, Lowndes, and Noxabee. This area of Mississippi is identified as the "Fall Line Hills," a province which extends into and across Alabama. The Mississippi portion of the Fall Line Hills, and the adjacent lands of Appalachian Alabama, comprise the eastern half of the Tombigbee watershed. This area also shares common characteristics in forest vegetation with Appalachian Alabama, Georgia, Tennessee, and Kentucky. These counties, therefore, constitute a geographic area with direct physical ties to the rest of Appalachia.

Three communities adjoining the Fall Line Hills in the Tombigbee Valley provide many of the employment opportunities and trade services for the area. They are: Corinth (Alcorn County), Tupelo (Lee County), and Columbus (Lowndes County). The labor sheds for these three centers are practically identical with the boundaries of the Tombigbee watershed. This conclusion is based on commutation patterns developed from the 1960 census employment data. This area includes, in addition to the counties already mentioned, Tippah, Union, Pontotoc, Lee, Chickasaw, Clay, Webster, Oktibbeho, Choctaw, Winston, and Kemper Counties.

These 18 counties constitute the minimum area upon which a regional development program could be based in northeastern Mississippi. They coincide with the Tombigbee watershed in which a master watershed development organization is operating.

In addition, these 18 counties make up the Tombigbee River Water Management District and the Northeast Mississippi Resources Conservation and Development Project Area. As such they represent an organized economic planning area capable of taking full advantage of the Appalachian program.

Mr. EASTLAND. Mr. President, this will not be the first time that the people in northeast Mississippi have united with the people of southern Appalachia in a bold, imaginative, and efficient partnership between local, State, and Federal authorities in order to initiate a comprehensive multistate program to develop the economic potential of this region.

Northeast Mississippi is presently bound to the southern Appalachian region by the Tennessee Valley Authority, the most successful areawide program ever instituted by our State and Federal Governments. The industrial and agricultural progress that has been made in this area has been largely due to the electric power, fertilizer, flood control, inland waterways, soil conservation, and restoration which TVA brought to this region.

The people of the southern Appalachian region are presently united in a multistate program to promote the construction of the Tennessee-Tombigbee Slack Water Canal, which will traverse north Mississippi and link up with the great Appalachian waterways to the Gulf of Mexico. With the construction of that canal, northeast Mississippi will be drawn even more closely into the economic orbit of the Appalachian region.

If these 18 counties are bound to the Appalachian region by geographical, cultural and economic ties, and by mutual self-interest, they are bound even more closely to each other for the same reasons. They are bound together by the fact that they are TVA counties, that they are traversed by the proposed Tennessee-Tombigbee Canal, that they lie within the Tombigbee River Basin, and for other reasons. For these reasons, northeast Mississippi has distinct interests and characteristics which are peculiar to that area of the State. All of these counties are members of the Tombigbee River Water Management District, a joint State-county venture organized with broad powers to accomplish a comprehensive program dealing with all aspects of developing the water resources of the basin.

Some of the other multistate and or multicounty ventures in which these counties are involved are the Tombigbee River tributaries flood control project, the Tombigbee River Basin flood prevention program-SCS, resource, conservation and development program, the Rural Community Development Association, and the North Mississippi Industrial Development Association.

Thus, the people of northeast Mississippi have long realized how the resources of an entire area can be developed agriculturally, industrially and commercially, and otherwise through joint ventures between local, State and Federal authorities.

The application of the Appalachian program has already demonstrated, and I think will to an even greater extent in the future, that by activating the States in putting up their cost sharing money for administrative expenses and participating through their agencies in the studies and justification for projects that we are developing State capability to move on its own initiative and to invest its own resources in solving its intrastate and local problems.

I feel that the performance under the program since its activation fully justifies the increased authorization in both mileage and funds for development high-

ways not already on the Federal-aid primary system. In my judgment, the additional mileage is insufficient, but it will certainly contribute to the movement of raw materials into and finished products out of the area.

I congratulate the committee on doubling the mileage for access roads so that the new industrial plants, health projects, educational facilities and port and recreational facilities can be reached from the primary system of highways with ease.

I know that the combined judgment of the several States officials working with the Appalachian Commission and Federal agencies will expend the authorized funds on the projects determined to be feasible so that the maximum in economic benefits will be generated.

The low incomes earned by the residents of the area have been such that they have been unable to participate in our health programs or to receive the benefits of private medical practice to the extent desired. The construction and operation of demonstration health centers will encourage the citizens of the area in the use of their own funds to protect their health and earning capacity.

One of the most far-reaching benefits in the pending bill is the encouragement of vocational educational facilities to provide job training to obtain employment. I know that the administrators of the educational program will channel it toward the needs of new industry being located within their immediate areas of such facilities so that the productivity of new plants and existing industries can achieve a more competitive position in both our domestic markets and in the markets of the world.

I am also encouraged that the bill includes incentives over and above our existing programs for the Nation to help in the development of adequate water supplies and distribution systems and for the treatment and disposal of municipal and industrial wastes. Water is one of our most valuable resources and it will be essential to protect its quality and at the same time that we encourage and increase its use for the development of the economy of the depressed areas.

Mr. President, I say again that, in my judgment this is very beneficial legislation. It meets the needs of our long economically depressed areas and by making it more productive will strengthen our entire Nation.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield now to the Senator from Ohio.

Mr. LAUSCHE. Has any change been made in the bill dealing with the former-existing law covering strip mining operations?

Mr. RANDOLPH. No. The committee has in no way altered that legislation. We know of the interest of the Senator from Ohio.

Mr. LAUSCHE. My interest is in awaiting a report from the Department of the Interior as to what course we ought to follow. My only concern is that there has been no change in the law.

Mr. RANDOLPH. The committee is also interested in the report from the Department of the Interior, which is to be sent to the Congress by July 1, 1967.

In that connection, I read from page 39 of the report accompanying S. 602:

> The committee wishes to make it absolutely clear that none of the changes which it has recommended are designed or intended to remove the restriction contained in subsection (d) of section 205 relating to use of funds authorized under that section on privately owned lands.

Mr. President, I yield now to the Senator from Pennsylvania [Mr. CLARK].

Mr. CLARK. Mr. President, I am pleased to support S. 602, which extends and revises the Appalachian Regional Development Act of 1965.

The Appalachian program—now 2 years old—has laid the foundations for rejuvenating the economy of this vast underdeveloped region which ranges across a dozen of our eastern States.

The Appalachian program has been successful over the past 2 years in setting in motion a number of activities that are essential to any permanent improvement of the Appalachian economy. I do not mean to imply that the job has been completed in Appalachia, but it is well underway on several fronts which have particular application to Pennsylvania.

First of all, the Appalachian Development Highway System has been quickly put under construction. The Appalachian Commission acted promptly at the outset to decide what highways should be built to get construction going. For this it should be commended, for this network of strategically placed highways, criss-crossing Appalachia in all directions, will have a profound and long-range impact on many of the region's communities. This highway system will add more value to other development projects initiated under the Appalachian program by increasing Appalachia's accessibility to other parts of the Nation and to other parts of Appalachia.

The 432 miles of Appalachian highways earmarked for Pennsylvania include several routes whose improvement and construction cannot fail to enhance the development potential of Pennsylvania. The reconstruction and improvement of U.S. routes 220 and 15 under the Appalachian program will provide a decent direct north-south highway through central Pennsylvania for the first time in its history. Similarly, the rebuilding of U.S. route 22 with Appalachian highway funds will fill a serious gap in east-west transportation, and will serve several major population centers such as Altoona, Johnstown, and Pittsburgh.

The second major front on which the Appalachian program has shown progress consists of the unique contribution of the Appalachian Regional Commission to Federal-State relationships. The Commission comprises the interests of the Federal and State governments, each having equal representation. Unlike most Government programs, the Appalachian program gives the States a major role in determining Commission policy as to the economic development of the region, and in directing the expenditure of Federal funds. The Appalachian Commission has been the instrument which enables the State and Federal Governments to work together toward a common objective of developing the Appalachian economy.

The Commission has proved thus far to be the best example of creative federalism that I know of. Not only do the Appalachian States have primary responsibility for planning and initiating projects, but they actually share with the Federal Government in making decisions and establishing policy. In addition to promoting harmonious relations between the States and the Federal Government, the Commission has promoted a high degree of cooperation among the 12 Appalachian States. It is this interstate cooperation in the Appalachian program that has been primarily responsible for the Commission's success in deciding the location of highway routes and the smooth implementation of other elements of the Appalachian program.

The Appalachian program has demonstrated a valid and workable approach to one of the Nation's most critical domestic problems—the need to decentralize the decisionmaking about Federal grant programs, as well as their administration. In 2 short years, the Appalachian States have measured up to the responsibilities given them under the Appalachian program.

The third major task being performed by the Appalachian program with special ramifications for Pennsylvania is the restoration and rehabilitation of lands damaged by past and present mining practices. This program is particularly valuable to Pennsylvania where strip mining, mine fires, and the threat of mine cave-ins have long impeded economic development near its major Appalachian population centers.

The program to prevent mine subsidence and to extinguish and control mine fires was included in the Appalachian Act at the specific request of Senator SCOTT, Governor Scranton, and myself. Pennsylvania is uniquely afflicted by these problems in its northeastern anthracite region and in the bituminous area around Pittsburgh. All of the funds appropriated for sealing and filling mine voids and for the control of mine voids and for the control of mine fires have been granted to Pennsylvania. The Appalachian Commission has to date approved 31 mine fire and subsidence projects in the Commonwealth. The total cost of these is estimated at $22.5 million, including a 75-percent Federal share of $17 million.

In addition to the mine fire and subsidence projects approved thus far by the Commission, Pennsylvania has identified more projects which would require more than $35 million in Federal funds at the present 75–25 matching ratio.

I cannot emphasize too much the importance of the Appalachian mine area restoration program to Pennsylvania. The existence of mine fires throughout the State threatens residential and commercial property worth millions of dollars. Noxious fumes and gases released by these fires endanger the health of thousands of our citizens. These hazards received much nationwide attention

last Thanksgiving when several families were forced to evacuate their homes in South Scranton in order to escape poisonous fumes released by a large mine fire. For the control of South Scranton mine fire, the Appalachian Commission approved $3,375,000 to protect health and property in Pennsylvania's fourth largest city.

Eleven mine fire control projects under the Appalachian program are now in progress under the Federal Bureau of Mines, involving almost $9 million in Federal funds.

Of equal importance to the Commonwealth has been the program to combat mine subsidence in the Scranton-Wilkes Barre area of our northeastern anthrocite coal fields. The Appalachian Commission has approved six subsidence projects involving $4.5 million out of a total cost of $6 million.

The $39,150,000 authorized in S. 602 for mine area restoration is urgently needed to continue the momentum started over the past 2 years in combating these two serious Pennsylvania problems. Economic development can never be fully achieved in Appalachian Pennsylvania until its mine fire and subsidence problems are solved. This is especially true since the most serious subsidence problems are found near Wilkes-Barre and Scranton in the heavily populated Wyoming Valley of northeastern Pennsylvania which must serve as the focus for economic growth in that part of the State. This area and the Pittsburgh area are also where the most serious mine fire problems exist, and they must be dealt with in order to enhance the growth potential of these major metropolitan areas.

The third major element of the Appalachian mining restoration program is its provision for rehabilitation of strip mined areas. This part of the program has not moved at a rapid pace since the Appalachian Act provides that only publicly owned lands may be reclaimed under this program, and little of the land in Appalachia scarred by strip mining is in public ownership.

The Secretary of the Interior's report of July 1966 indicated that only 4 percent of the strip mined acreage in Appalachia is in public ownership and few of the States or local governments have the capacity to acquire these lands for reclamation.

Later on this year I intend to introduce legislation which would establish a program within the jurisdiction of the Appalachian Regional Commission to provide for the rehabilitation of strip mined lands not in public ownership. We cannot afford to postpone action on this critical problem indefinitely; too much is at stake for the people of my State and the other States of this region whose future is tied up with the fate of these blighted lands.

The three elements of the Appalachian mine restoration program—strip mine reclamation, mine fire extinguishment, and the climination of surface subsidence—all are intended to improve the environment in Appalachia with a view to future development. S. 602 adds to these existing programs the authority to combat another serious mining problem, the reclamation of mine waste piles caused by underground mining. Those waste piles, which can be found throughout Pennsylvania, as well as other Appalachian States, are as unsightly and detrimental to the environment as the strip mine scars which afflict much of the region. Therefore, the rehabilitation of mine waste piles, along with the other reclamation programs, will contribute greatly to better environmental conditions in Appalachia.

I do feel, however, that the Appalachian Regional Commission has made an impact on the strip mining problem apart from the approval of strip mine restoration projects. This impact has taken the form of State regulations governing strip mining inspired in part by the example set by the State of Pennsylvania and others. Pennsylvania was the first State in the Nation to enact a strict set of regulations—in 1963. Since that time it has been followed by two other Appalachian States, Kentucky and West Virginia, which have enacted equally strict laws governing strip mining within the two States. At the present time, Virginia and Tennessee are considering similar legislation. It is apparent that the close association of all of these States on the Appalachian Commission has served to advance the cause of State-sponsored strip mining legislation throughout the Appalachian region. It is also apparent that these States, in the process of learning from one and other, have assumed a substantial amount of responsibility at their own level of government in meeting the strip mining problem.

Pennsylvania's and Appalachia's immediate mine restoration problems are now in the process of being solved under the Appalachian Regional Development Act. There remains, however, one very serious problem in Appalachia's rivers and streams which to date has not been tackled under the Appalachian program.

I refer to the discharge of acid, draining into thousands of miles of the region's streams as a result of both deep and surface mining operations. I have accordingly written and sponsored an amendment to the Appalachian Regional Development Act which appears in S. 602 to cope with the problem of acid mine drainage. My amendment authorizes $3 million in Federal funds for the development of a program for fighting acid pollution in Appalachia resulting from mining activities.

Considerable research has been carried on by the Federal Government in the past concerning acid mine drainage. However, action proposals have been sadly lacking. My amendment to the Appalachian Act gives the Appalachian Regional Commission, the Department of the Interior and other relevant agencies authority to devise a specific program to implement all of the various research that has been conducted on this problem.

Some 4,300 miles of Appalachian streams contain acid pollution, and half of this mileage is located in Pennsylvania in all of the State's major river basins. Our Susquehanna River Basin alone contains 800 miles of acid polluted waterways. The Delaware Basin contains 140 miles of acid pollution and more than 1,000 miles within the Ohio River Basin are polluted.

As in the case of mine fires and mine subsidence, economic development will not be fully accomplished until the streams of Appalachia are made clean. Water is one of Appalachia's most precious assets, but if the water is unfit for human and industrial use, there can be no adequate development along the 4,000 miles of major streams containing the pollution.

I am confident that this important amendment to the Appalachian program will produce results in cleaning up Appalachian water supplies. This proposal calls for developing a program for the control, reduction or elimination of acid pollution in the region. The study that will be conducted will identify the sources of acid mine pollution throughout Appalachia; it will identify present and potential water use activities affected by acid mine pollution; it will identify known methods and costs for the control and abatement of acid pollution, and it will estimate the economic and social benefits that will result from reducing acid pollution in the region's streams.

The prompt enactment of S. 602 will continue the valuable work of the Appalachian regional development program in its attack upon the problems of Appalachia. This program has started the long-range planning and action necessary to cure the problems of deteriorating communities, the rehabilitation of mining areas, the serious educational problems which hold the region back, the chronic underdevelopment which results in inadequate access, and a host of other problems. This bill, adding several new ingredients to the original Appalachian Act will carry Appalachia closer to the eradication of the poverty and unemployment which have too long plagued it.

May I now have the attention of the senior Senator from West Virginia, the floor manager of the bill?

I say to my good friend that I must express my deep gratitude to him for his willingness to include in the bill the amendment which I sponsored dealing with acid mine pollution water going into our streams. I thank the Senator from the bottom of my heart for his courtesy in this regard. I am sure he will be repaid many times over. I believe there is a somewhat similar problem in West Virginia.

Mr. RANDOLPH. Mr. President, will the Senator yield at that point?

Mr. CLARK. I am happy to yield to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I recall the constructive contributions made by the Senator from Pennsylvania during the earlier consideration of the Appalachian legislation in 1965. At that time he addressed himself to the effect of mine acids on the streams of the Commonwealth of Pennsylvania, the State of West Virginia, and other areas within the region.

The committee considered the matter, and embraced his thinking in 1965, and we have done so again in 1967.

On page 43, of the committee report filed with S. 602, we recommend this new subsection, stating:

This provision calls for the development of a comprehensive action program to attack the problem of acid pollution in the rivers and streams of the region.

The report discusses the matter of underground and surface mines in the Appalachian region, particularly in six States. It points out the problems in the Loicona Dam and Reservoir in Pennsylvania where fish and other water life have been destroyed and where deterioration of the recreational and social value of the streams has occurred.

We are concerned about the need for control and abatement of acid mine pollution, not only at the Federal but also at the State level.

Pennsylvania is actively engaged in this type of endeavor.

We think that private efforts are also valuable. It is necessary that the research programs concerned with acid pollution and the treatment of polluted water be carefully studied before we act.

We have given careful thought to this subsection which embraces the ideas of the Senator from Pennsylvania. I am, of course, very grateful for his words about the work of the committee and my effort in these matters.

Earlier in the remarks of the Senator from Pennsylvania, he spoke of the developmental roads in Appalachia, and he highlighted one of those roads in Pennsylvania, notably the corridor between Altoona and the area near Harrisburg.

On page 10 of our report is a map which lays out the segments of the developmental highway system.

Mr. CLARK. Mr. President, I thank my friend, the Senator from West Virginia.

I intend to introduce and to press for the enactment of legislation which would establish a program within the Appalachian Region Commission's jurisdiction to provide for the rehabilitation of strip mine lands not under public ownership.

The Senator will recall, I am sure, that I mentioned to him and laid a good deal of weight upon the subject.

The Senator pointed out to me that one member of his committee was adamantly opposed to this proposal. Unfortunately, in the U.S. Senate we cannot always agree. Government by consensus is not always possible.

In Pennsylvania we need help to get our privately owned strip mines cleared up. Whether there is opposition or not, I will press for the enactment of such legislation.

The people need the protection afforded by such legislation, and they are pressing me for such a measure.

When the time comes that the Senator from West Virginia is put in the unfortunate position of having to arbitrate between one Senator and another, I hope that he will afford me a full hearing to help persuade him that this particular provision is badly needed by my constituents in Pennsylvania.

Mr. RANDOLPH. When that times comes, there will be a complete hearing and the advocacy of the Senator from Pennsylvania will certainly be given serious consideration by the Senator from West Virginia.

Mr. CLARK. Mr. President, I thank the Senator. There is one other matter which does not deal with Pennsylvania.

The two Senators from New York, the Senator from California [Mr. MURPHY] and I have recently returned from a field trip to Mississippi in connection with the poverty program.

The junior Senator from New York [Mr. KENNEDY] and I spent the day touring the delta counties of Mississippi.

I heard the colloquy of the distinguished senior Senator from West Virginia with the two Senators from Mississippi. I can understand the reasons why he felt it not desirable at this time to extend the number of counties covered by Appalachia.

The one thing that concerns me is the desperate poverty we found in the delta counties of Mississippi where literally hundreds, if not thousands, of families are, if not starving, at least suffering from malnutrition and hunger.

If ever there were an area in the country that should be included in the Applachian program, it is those delta counties of Mississippi.

I would hope that in due course the Senator from West Virginia would give careful consideration to expanding the area of Appalachia so that it is not necessary to have a hill or a mountain in order to qualify under Appalachia.

I do not like the geographical determination as to what is to be considered eligible.

We should be thinking of people and not of geography.

If the Senator from West Virginia and his colleagues on the committee feel, in their infinite wisdom, that we cannot expand the geography to take in the desperately poor counties of Mississippi, then I would urge a new interstate compact of Arkansas, Mississippi, and Tennessee where the conditions are just as deplorable as those found in Mississippi.

Mr. President, I yield the floor.

Mr. RANDOLPH. Mr. President, I thank the Senator from Pennsylvania for his remarks concerning the result of his on-the-ground survey and investigation of that area of our country as a member of the Subcommittee on Poverty of the Committee on Labor and Public Welfare.

We had a rather lengthy discussion within the subcommittee yesterday concerning the findings by the subcommittee in that area.

I remind the Senator that I have indicated in the discussions here today that we do not have a hard and fast criteria. Geographical location is but one of the factors. However, I would note that Public Law 89–136, the Public Works and Economic Development' Act of 1965, provides the machinery for a more appropriate and effective solution by creation of a Delta Regional Commission in that area, if the Governors of the States so desire.

The Senator from Pennsylvania was not present when I read the language which indicates that, in the future, Congress itself would determine which areas could come within the Appalachian region.

I agree with the Senator that we are, intensely interested in the humane equation as well as in the natural aspects of the area.

I thank the Senator. I yield to my distinguished friend, the Senator from North Carolina.

Mr. ERVIN. Mr. President, as a resident of and Senator from North Carolina I have had opportunity to observe the administration of the Appalachian program. It is an exceedingly well conceived program.

I am delighted to be able to say, from having observed it in operation, that it is not only well conceived but has also been well administered.

I commend the distinguished senior Senator from West Virginia for the vision and the energy which he has manifested as floor manager of the bill on this occasion and at the time when the bill was originally passed.

The Senator certainly deserves the thanks of all of the people of Appalachia as well as the thanks of the people of the country for the great work he has done in assisting in formulating the pending bill and piloting it through the Senate.

Mr. RANDOLPH. Mr. President, I am conscious of the contribution which has been made to this legislation by the distinguished senior Senator from North Carolina.

I recall many conversations with him about the region and the involvement of counties in North Carolina. He has ever sought to keep current on the legislation and the achievements attained under this program as it has moved into its operative phase during the past 2 years.

It is very heartening to have the Senator's assurance of his continuing interest and efforts.

I am very grateful to the Senator for his comments concerning my work in this area of legislation.

Mr. ERVIN. I thank the Senator, and I should like to join in his observation that the Appalachia program represents what may be called creative federalism at its best.

Mr. RANDOLPH. At its best.

In the history of Congress, I do not believe that we have ever moved in a regional concept as we have in Appalachia. And how fortunate we were, I say to the Senators who are on the floor at this time, that we came to this body only after 4 years of very careful consideration. The States themselves—not just the people in Washington, D.C.—worked on these problems. We had a task force which went out to learn the problems. Only then did we develop legislation to provide the structure under which the constructive answers might be brought into being.

INVESTMENT TAX CREDIT

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The hour of 2 o'clock having arrived, the Chair lays before the Senate the pending business, which the clerk will report.

The LEGISLATIVE CLERK. A bill (H.R. 6950) to restore the investment credit and the allowance of accelerated depreciation in the case of certain real property.

REVISION AND EXTENSION OF THE APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

Mr. BYRD of West Virginia. I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the further consideration of Calendar No. 161 (S. 602), the bill to revise and extend the Appalachian Regional Development Act of 1965.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

Mr. JORDAN of North Carolina. Mr. President, will the Senator from West Virginia [Mr. RANDOLPH] yield to me?

Mr. RANDOLPH. I hope the Senator from North Carolina [Mr. JORDAN] who is now on his feet, will understand that I have a commitment to yield to the Senator from Tennessee [Mr. BAKER].

Mr. JORDAN of North Carolina. That is perfectly all right. I appreciate the commitment of the Senator from West Virginia, and I shall remain on my feet until the Senator is ready to yield to me.

Mr. RANDOLPH. To have two Senators standing firmly on behalf of this legislation is very encouraging. I yield to the Senator from Tennessee, a member of the committee.

Mr. BAKER. I am glad to yield at this time to the Senator from North Carolina, who is my senior in length of service.

Mr. RANDOLPH. What the Senator from Tennessee has said is characteristic of him, and since he has said it in the way he has, I shall now return to the Senator from North Carolina.

Mr. JORDAN of North Carolina. I thank the distinguished Senator from Tennessee for yielding to me at this time.

I wish to say to the chairman of the Committee on Public Works, of which I have the pleasure to be a member, that I have attended all the committee hearings in connection with the bill, and I have studied it very carefully. I have taken a particular interest in the bill because of the geographic location of the area involved and the number of people it affects, people who would not be reached if it were not for this legislation.

I am familiar with practically all the territory covered in the bill. Of all the Federal programs with which I am familiar, this one has ben conducted better and more economically and has brought more benefit for the money spent than has any other legislation of this nature.

The access roads which are being constructed under this legislation are reaching people who would not be reached for probably another generation, because highway commissions, the agencies which administer Federal aid for highways, and other agencies cannot provide funds for areas of sparse population. But where access roads have been constructed, industry has followed. I strongly recommend the enactment of the bill because of the great benefits it provides.

As the chairman of the committee pointed out earlier today, the bill was not drawn up hastily by any means. It was under study for a long time. The Governor of each of the States involved has taken an active interest in the legislation, together with the commission, in submitting recommendations. The program is reaching the people it is supposed to reach, and it is doing a wonderful job.

I commend the chairman for his excellent work in formulating the bill, and I join with the other members of the committee in urging its enactment.

Mr. RANDOLPH. I thank the Senator from North Carolina. Twenty-nine counties within his State are embraced in the Appalachian region, and in those counties we do find the conditions which he has described. But, more important, in finding those conditions we have attempted to bring programs into being that were not in the nature of handouts. The people in this area want productive programs, assistance programs, the helping-hand programs—not handout programs. The people in North Carolina, as have the people in the other areas of the Appalachian region, have helped this program move forward. I express my appreciation of them, and I thank the Senator from North Carolina.

I yield to the Senator from Tennessee.

Mr. BAKER. Mr. President, it is my privilege to speak in support of S. 602, a bill to revise and extend the Appalachian Regional Development Act of 1965. I do so without reservation, and I do so with the full knowledge that this measure, like most other measures which are presented to this body, is not perfect.

I am keenly aware that there are differences of opinon about the administration of various programs and on the precise location and the philosophy employed for the location of corridors and access roads, even to the point of which counties should be included and which counties should not.

The point is that I am not now concerned, nor is the Senate concerned, with the precise implementation of this measure, but rather with the judgment of the effectiveness of the vehicle we have chosen to accomplish our purposes.

In this respect, I believe that the bill is outstanding. I believe it is, in fact, on the threshold of being a new and prototypical approach to social legislative problems, and its importance far transcends the mere specific accomplishments which are undertaken within the purview of the description contained in the bill itself.

I commend our distinguished chairman, the Senator from West Virginia [Mr. RANDOLPH], for his diligent labors in connection with the framing of this extension, and commend him as one of the architects of the original legislation in a Congress in which I was not privileged to serve.

By the same token, I commend the ranking Republican member of the committee, the distingiushed Senator from Kentucky [Mr. COOPER], for his substantial contribution to the structuring of the original concept and now the extension which is before the Senate.

As a very junior Member of this body, I am impressed with the fact that through the leadership of our chairman, the Senator from West Virginia, and our ranking Republican member of the committee, the Senator from Kentucky, we have had responsive and responsible hearings, and that we have produced and the committee has reported a bill that Congress and the country can be proud of for its promise of accomplishment in the future—this, notwithstanding that there are imperfections in all pieces of legislation and imperfections in the method and application of the remedies provided for.

I join my colleagues on the committee in urging the support of the bill, which received the unanimous approval of all members of the committee and the subcommittee, on both sides of the aisle.

I thank the chairman of the committee for yielding me the time to make these remarks.

Mr. COOPER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. McGEE in the chair). The Senator from West Virginia has the floor.

Mr. RANDOLPH. Mr. President, I ask for the yeas and nays on final passage.

The yeas and nays were ordered.

Mr. RANDOLPH. I yield to my distinguished colleague, the Senator from Kentucky, and in yielding I wish to say that the Senator from Tennessee is correct as to the constructive contributions of the Senator from Kentucky to this legislation in 1965 and again 1967. I know of the contributions made by the Senator from Kentucky, and I am not merely indulging in pleasantries when I say that we have approached this matter side by side, as have all members of the committee; and to have a newer member of our committee, the Senator from Tennessee [Mr. BAKER], come in and study this problem with us has been very heartening and helpful to the committee.

Mr. COOPER. Mr. President, I thank the distinguished Senator from West Virginia for his generous comments about my work on the bill.

I, too, can say, without any exaggeration, that the Senator from West Virginia has provided us with leadership in the development of this bill, which extends and revises the Appalachian Regional Development Act of 1965. It has been a great pleasure to work with him, and with all members of the committee on this significant bill. I know that the chairman of the committee would join with me when I say also that the interest of the new members of our committee has been of valuable assistance.

Yesterday I made an extensive statement, which is in the RECORD. It describes the revisions and amendments and additions to the act of 1965 which have been made by the committee bill, S. 602, and describes them in some detail. I shall not dwell upon the substance of the bill today. I ask, however, unanimous consent that the RECORD include at this point, a rather technical analysis of the bill, and a comparison of the 2-year au-

thorizations in this bill with the authorizations for the first 2 years of the program, which I have had prepared.

There being no objection, the analysis and comparison were ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS OF S. 602

Sec. 102 (p. 28, line 24). Amends Section 102 of the *Act* by striking clause (9), which includes as a function of the Commission advising the Secretary of Commerce on applications for grants for administrative expenses to local development districts. (Conforms to Section 120 transferring from Commerce to the Commission authority under Section 302 of the Act to make these grants.)

Sec. 103 (p. 29, line 5). Amends Section 105 of the Act, which provides for administrative expenses of the Commission to be paid half by the Federal government and half by the States after June 30, 1967, to provide for the expenses of the Federal Co-chairman, his alternate and staff to be paid wholly by the Federal government.

Authorizes (by direct appropriation to the Commission) $1,700,000 for administrative expenses for the next two fiscal years, of which not to exceed $400,000 shall be available for expenses of Federal Cochairman and his staff. (Compares to $2,000,000 authorized first two years for *all* administrative expenses of Commission.)

Sec. 104 (p. 30, line 10). Amends section 106 of the Act, which includes among the administrative powers of the Commission the authority to enter into leases, to provide specific authority to lease office space through June 30, 1971 "notwithstanding any other provision of law".

Sec. 105 (p. 31, line 1). Amends and restates Section 201 of the Act, authorizing the Appalachian development highway system, as follows:

(a) Substitutes for Secretary of Commerce the Secretary of Transportation.

Increases by 350 miles the length of the development highway system, from 2,350 to 2,700 miles.

Increases by 1,000 miles the local access roads, from 1,000 to 2,000 miles.

Adds "educational" to the specific recreational, residential, commercial or industrial facilities that a local access road shall serve.

(b) Provides for the Commission to "transmit its *designations*" rather than "submit its recommendations" to the Secretary for general corridor locations, priorities for construction of (all rather than major) development highway segments, for local access roads to be constructed, and for other criteria for the road program.

(c) Omits the provision that the Secretary shall have authority to approve in whole or in part such recommendations, or require modifications or revisions thereof.

Adds to the requirement for State maintenance the local access roads, and that maintenance shall be "as provided for Federal-aid highways in title 23."

(d) The authority of the States to give special preference in road construction to indigenous "mineral resource materials" is changed to indigenous "materials and products."

(e) The Secretary is mandated, rather than authorized, to require each participating State, to the maximum extent possible, to use coal derivatives in the construction of 10% of the roads.

(f) Transfers to the Commission, from the Secretary pursuant to the recommendation of the Commission, authority to provide Federal matching for road construction greater than 50% (up to 70%).

(g) Authorizes the highway appropriation to be made to the President, rather than to the Secretary.

Authorizes appropriation of $715 million for the highway program during the next four fiscal years (an increase of $175 million, since $300 million of original $840 million has already been appropriated).

(h) (p. 33, line 22 through p. 34, line 15). Adds a new subsection authorizing reimbursement of States for advance construction of development highway segments with State funds, pursuant to Commission approval.

Sec. 106 (p. 34, line 16). Amends section 202 of the Act, demonstration health facilities, as follows:

(a) Subtitle and text changed from demonstration health "facilities" to "projects." Opening statement of purpose "to demonstrate the value of adequate health and medical facilities and services" omits "and medical".

Adds planning grants to the grants for construction, equipment and operation of multi-county demonstration health projects. Adds "services" to the "other facilities necessary to health" specifically included in multi-county demonstration health projects.

Adds "acquisition of facilities" to the initial equipment specifically included in such construction grants.

Adds to the Public Health Service Act and the Mental Health Centers Act, with which such grants shall accord, "other laws authorizing grants for the construction of health-related facilities."

(b) Extends 80% matching limitation to "any component" of a demonstration health project. Omits "initial" from the "construction or initial equipment" subject to that limitation.

Provides for Federal construction or equipment contribution to be made from funds authorized under this section, or in combination with funds provided under other Federal grant-in-aid programs for the construction or equipment of health-related facilities. Provides further that funds authorized under this section may be used to increase grants for "component facilities" of a demonstration health project, up to 80%, notwithstanding any provisions of law limiting the Federal share in such other programs.

(c) Grants for operation of a demonstration health project specified to include (rather than equipment other than initial equipment) "initial operating funds and operating deficits comprising among other items the cost of attracting, training and retaining qualified personnel."

Provides such operation grants whether or not the project was constructed with funds authorized by this section.

Provides such grants (up to 100% first two years) for "each component facility or service" assisted.

Specifically authorizes for *operating* grant assistance a component of an eligible demonstration health project, *"notwithstanding section 104"* of the EDA.

(d) Adds a new subsection authorizing the Secretary of HEW to provide funds to the Commission for the support of its Health Advisory Committee, and to make grants not to exceed 75% for planning the development and operation of demonstration health projects.

(e) Authorizes $70 million of section 401 funds for this section. (First two years $41 million was authorized for construction, $28 million for operation.)

Sec. 107 (p. 37, line 8). Authorizes $19 million of section 401 funds for section 203 purposes, land stabilization, conservation, and erosion control. (First two years $17 million was authorized.)

Sec. 108 (p. 37, line 15). Adds a new subsection (b) to section 204, timber development organizations, authorizing the Secretary of Agriculture to provide technical assistance, make grants, enter into contracts or otherwise provide funds (from appropriations under this Act) to forest products research institutions in the region or other appropriate public and private organizations, for Appalachian hardwood products research, studies and demonstrations.

Authorizes $4 million of section 401 funds for the purposes of new subsection (b), hardwood research. (First two years $5 million was authorized for TDO's, $1 million appropriated, $900 thousand remains available.)

Sec. 109 (p. 38, line 16). Amends section 205 of the Act, mining area restoration, as follows:

(a) Adds to the authority of the Secretary of Interior to make financial contributions to the States to seal and fill voids in abandoned coal mines, abandoned oil and gas wells.

Substitutes for the authority to reclaim and rehabilitate existing strip and surface mine areas, "lands *affected* by the strip and surface mining and *processing* of coal and *other* minerals, including lands affected by *waste piles.*"

(b) Extends for two years the period of the 75% limitation for such assistance on non-Federal lands, through fiscal 1969.

Includes under such mining area restoration projects "reasonable planning, engineering and *land acquisition* costs."

(c) Authorizes $39,150,000 of section 401 funds for this section. (First two years $36,500,000 authorized.)

Sec. 110 (p. 39, line 18). Authorizes $2 million of section 401 funds for the purposes of section 206 of the Act, water resource survey. (First two years $5 million authorized, of which $3.3 was appropriated.)

Sec. 111 (p. 40, line 1). Adds to the end of part A of title II a new section 207, establishing a revolving Appalachian Housing Fund, and authorizing the Secretary of HUD to make loans and grants for planning and other preliminary expenses of housing projects in the region proposed under section 221 of the National Housing Act.

Grants limited to non-profit organizations, up to 80% of administrative expenses. Loans limited to 80% of planning and other preliminary expenses; profit organizations to pay interest at the market rate for insured mortgages.

Authorizes $5 million of section 401 funds for the purposes of this new section.

Sec. 112 (p. 42, line 8). Amends section 211 of the Act, vocational educational facilities, to add to the authority of the Secretary of HEW to make grants for *construction* of school facilities needed for vocation education, grants for the *"equipment* of such facilities and *other* school facilities."

Authorizes $18 million of section 401 funds for the purposes of this section. (First two years $16 million authorized.)

Sec. 113 (p. 42, line 19). Authorizes $6 million of section 401 funds for the purposes of section 212 of the Act, sewage treatment works. (First two years $6 million was authorized.)

Sec. 114 (p. 42, line 25). Amends section 213 of the Act, which amended section 701 of the Housing Act of 1954 to authorize comprehensive planning grants to the Commission, to authorize such grants by HUD also to local development districts.

Sec. 115 (p. 43, line 18). Restates and amends section 214 of the Act, supplements to Federal grant-in-aid programs, as follows:

Transfers from the Secretary of Commerce to the President the authority to provide funds (through the Federal Cochairman) for supplemental grants-in-aid.

Adds to grant programs authorized as of March 9, 1965, for which supplemental grants can be made, all other "existing and future" Federal grant-in-aid programs for the construction or equipment of facilities and acquisition of land.

Authorizes $97 million of section 401 funds for the purposes of this section. (First two years $90 million authorized.)

Sec. 116 (p. 45, line 15). Adds to the end of part B of title II a new section 215, cultural programs.

Authorizes the Chairman of the National Endowment for the Arts to make grants to the States in supporting existing programs and projects, and in developing programs and projects in the arts, in accordance with the applicable provisions of the National Foundation on the Arts and Humanities Act.

Authorizes $500,000 of section 401 funds for the purposes of this new section.

Sec. 117 (p. 46, line 24). Restates section 221 of the Act, maintenance of effort, to make clear that local expenditures are not included among the State expenditures required to be maintained.

Sec. 118 (p. 47, line 9). Restates section 223 of the Act, program implementation, as follows:

Omits the requirement, prior to implementing any project, for the Commission to consult with and obtain the recommendation of State officials, (All applications are now made through, and approved by, State members of the Commission, under section 303).

Requires that project *applications and* plans first be determined by the responsible Federal (line agency) official to be "compatible" with the provisions of Federal law he administers. (Rather than that plans *recommended* by the *Commission* be submitted to and *approved or modified* by those officials.)

Provides for the *Commission* to *approve* projects and to make the determination that they meet the criteria of section 224, "which determination shall be *controlling.*"

Sec. 119 (p. 47, line 22). Amends section 224 of the Act program development criteria, as follows:

The Commission is now directed to follow procedures that will insure consideration of the project criteria set forth in section 224, "in developing recommendations" on projects (to Federal agencies under section 223). The bill provides that it shall do so "in considering" projects, to conform to the Commission *approval* of projects specified in new section 223, above.

Substitutes for the prohibition against assistance used "in relocating" establishments from one area to another, a prohibition against assistance used "to assist establishments relocating from one area to another."

Sec. 120 (p. 48, line 7). Amends section 302 of the Act, grants for administrative expenses of local development districts and for research and demonstration projects, as follows:

(a) Transfers from the Secretary of Commerce to the President the authority to make grants for administrative expenses and technical services of local development districts.

Such grants to be made to State members (rather than directly or through arrangements with the Commission.)

Revises the authority for investigation, research, studies and demonstration projects which will further the purposes of the Act, from that conducted with funds provided by the Secretary of Commerce, to grants by the President to the Commission.

Adds to the above authority (which formerly specified "appropriate public or private organization"), grants for technical assistance, and for training programs.

(b) Adds a new subsection authorizing the Commission to make a comprehensive study of acid pollution resulting from mining activities, and directing it to make specific recommendations to the President for report to Congress by March 31, 1969, for control, reduction or elimination of acid pollution. (Pages 49–51).

(c) Requires the Commission (rather than section 302 recipients reporting to Commerce) to maintain complete records of activities financed with Federal funds.

(d) Authorizes $13 million of section 401 funds for the purposes of this section, including $3 million for the mine acid study. (First two years $5.5 million authorized for local development district and research grants.)

Sec. 121 (p.52, line 1). Amends section 303 of the Act to restate the requirement for State member approval of each application.

Omits the specific reference to "a political subdivision, or a local development district" making application (through the State member). In both the Act and the bill, the State member, not the Commission itself, makes the determination that a project meets the requirements of the Act (as distinguished from the Commission determination that it meets the section 224 criteria).

Sec. 122 (p.52, line 12). Amends section 401 of the Act to authorize the non-highway appropriations to be made to the President (rather than to the operating agencies).

Sec. 123 (p.53, line 6). Extends the statutory definition of the Appalachian Region to add Lamar and Pickens counties in Alabama, 18 counties in Mississippi, and Schoharie county in New York.

Prohibits the Commission from proposing or considering any further recommendation for a change in the definition of the region, without a prior request by the Congress for a study.

Sec. 201. (p. 54, line 1). Amends section 505(a) of the Public Works and Economic Development Act to require each regional commission to develop a comprehensive long-range development plan approved by the Secretary.

Sec. 202. (p. 54, line 16). Amends section 505(c) of the Public Works and Economic Development Act to impose a limitation on the $15 million authorized annually for regional technical and planning assistance, not to exceed $2½ million annually to each regional Commission.

Sec. 203 (p. 54, line 23). Adds a new section 509 to title V of the EDA to provide to the other regional commissions supplements to Federal grant-in-aid programs, similar to those under section 214 of the Appalachian act.

Authorizes for *each* of the regional commissions $5 million for this purpose in fiscal 1968, $10 million in fiscal 1969.

Includes in (a) language assuring Commission approval of projects, and responsibility for determining that projects meet section 504 criteria, identical to Appalachian section 223 as revised.

Includes in (f) language assuring State initiation and approval of projects, identical to Appalachian section 303 as revised.

Appalachian (S. 602) authorizations, other than highways

[In millions of dollars]

	Authorized by 1965 act 1st 2 years	Appropriated	Authorized by S. 602 2d 2 years	Increase over 1st 2 years
Sec. 105: Administration	2.2	[1] 2.4	1.7	−0.5
Sec. 202: Demonstration health facilities	69.0	23.5	70.0	1.0
Sec. 203: Land stabilization, conservation, erosion control	17.0	10.0	19.0	2.0
Sec. 204:				
Timber development	5.0	1.0	0	−5.0
Hardwood research	0	0	4.0	4.0
Sec. 205: Mining area restoration	36.50	24.85	39.15	2.65
Sec. 206: Water resources study	5.0	3.3	2.0	−3.0
Sec. 207: Appalachian housing fund	0	0	5.0	5.0
Sec. 211: Vocational education	16.0	16.0	18.0	2.0
Sec. 212: Sewage treatment	6.0	6.0	6.0	0
Sec. 214: Supplemental grants	90.0	75.0	97.0	7.0
Sec. 215: Cultural programs	0	0	.5	.5
Sec 302:				
Local development districts	5.5	5.5	10.0	4.5
Mine acid study	0	0	3.0	3.0
Total	252.4	167.5	273.65	21.7

[1] Includes $0.2 from sec. 401.

NOTE.—The act of 1965 authorized $2,200,000 of the funds authorized in sec. 401 for administrative expenses. S. 602 authorizes $1,700,000 separately, to be appropriated directly to the Commission for administrative expenses. Above totals are for sec. 401 only.

Mr. COOPER. Mr. President. I remember that it was 7 or 8 years ago that the concept began to take hold that a number of States, constituting a unique region, could join together for their own assistance and self-aid—and with the assistance of the Federal Government could move effectively toward the development which had been denied that region.

I think it worthwhile to remember that it was the Governors of the States constituting the Appalachian region who initiated this great development in the economic and human advancement of their States and areas. I recall, for example, the first conference of the Appalachian governors, at Lexington, Ky., in the fall of 1960, called by Governor Tawes of Maryland.

I am happy to note that in the Senate efforts were also being made. I believe it was when the 86th Congress convened, in January of 1959, that I offered an amendment to the Federal-aid Highway Act, in an attempt to secure additional funds for roads which would traverse eastern mountain regions. During those years also, in 1958 or 1959, I introduced in the Senate an amendment which I termed a bill for the development of the underdeveloped areas of the United States. However, essentially the Appalachian Regional Development Act came from the States themselves.

I make this point because it is necessary that the original concept be preserved. Under the act, no plan can be established, no application for a program can be accepted, unless it is first approved by the States. No separate project within a State can be approved or funds provided for it unless it has first been approved and submitted by the Governor of the State.

It is very important that this procedure be followed, for it has provided a Federal-State relationship which I think is different from any other program in which the Federal Government takes

part. The only exception I can think of would be the Federal-aid highway program, where States must contribute their part of the cost and, with the exception of the interstate system, where the location of roads is first determined by the State highway department.

It is this new example of State-Federal action, where the initiative comes from the State, which I consider to be responsible for the accomplishments of the Appalachian program. I believe it provides an example which should be examined with respect to other programs—because if this concept should be adopted in other programs they would be more efficient and effective.

Mr. President, I shall not speak longer except to point out a problem which we have now faced in our committee, but which we had not faced before.

The Appalachian region does have its particular characteristics. It is a mountainous region, marked by narrow valleys and many streams, which have isolated the region and isolated its people from even the neighboring areas in their own States.

The report of the President's Appalachian Regional Commission in 1964 described Appalachia in these words——

The PRESIDING OFFICER. The Chair will interrupt the Senator until we have quiet in the Chamber. The Senate will be in order.

Mr. COOPER. I thank the Chair. I shall not speak long, but I would like to have order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. COOPER. Mr. President, I was addressing myself to a problem which arose. I mention the problem because I know we will have to take it into consideration in the future when we deal with Appalachia, if it is to remain a specific program designed to deal with the particular characteristics of this region.

I refer to the description of Appalachia in the 1964 report led by the President's Appalachian Regional Commission. The report opens with this statement:

> Appalachia is a region apart—geographically and statistically. It is a mountain land boldly upthrust between the prosperous Eastern seaboard and the industrial Middle West—a highland region which sweeps diagonally across 10 States from northern Pennsylvania to northern Alabama. Its ridges and twisted spurs and valleys measure to 165,000 square miles—an area 10 times the size of Switzerland.

That description, Mr. President, is also the opening statement of the reports of the Senate Committee on Public Works of August 13, 1964, and of January 27, 1965, recommending to the Senate the bills passed by the Senate in 1964 and in 1965 establishing the Appalachian regional development program.

There have been no criteria yet established to determine the exact nature of this area, except the statement I have read. However, to me, there are two characteristics of which we can take notice. The first is the topographic characteristic of the area. The second characteristic is one common level of poverty.

I make these comments because there is a tendency to join to the Appalachian region areas and counties which do not possess these unique characteristics.

Because parts of my State are within the Appalachian region, and enjoy the benefits of this legislation, I would not want it thought that I desire to maintain all of these unique advantages only for Kentucky, and deny them to other States. At the same time, I do know that we must be very careful about enlarging the region in our committee, or on the floor of the Senate, or on the floor of the House of Representatives, unless sound criteria have first been established which would give us reason to know that an additional area is truly a proper part of the Appalachian region.

I have stated my position on this matter in my supplemental views, which are a part of the committee report to the Senate on S. 602—and my concern that enlargement of the region without firm criteria could weaken the concept of the Appalachian program, detract from the broad support it now enjoys, and eventually cause it to fail.

As the Senate knows, other economic development regions have been established because they, too, possess unique characteristics. My thought is that even in areas contiguous to the Appalachian region, if those counties and areas do not fully meet the principal characteristics of Appalachia, they could be formed into separate economic development regions.

I recall, Mr. President, that in 1965, when this act became law, and at the time it was before the Senate, the distinguished junior Senator from New York [Mr. KENNEDY], on the very day that the bill was passed by the Senate, came to the Senate Chamber and offered an amendment which had not been considered by the committee, but which was adopted. The amendment added 14 counties in New York to the Appalachian region.

I opposed the amendment at the time, not upon the merits of whether or not these New York counties should be added, but because the matter had not been considered and no one knew whether those counties met the criteria and the characteristics of the Appalachian region.

More recently, in fact in January of this year, the Governors who form the Appalachian Regional Commission met and added—in effect added—or proposed that the Congress add to the Appalachian region, two counties in Alabama, and 26 counties in Mississippi.

In the Committee on Public Works, I opposed their addition. Let me say to the Senators from Alabama [Mr. SPARKMAN and Mr. HILL] and the Senators from Mississippi [Mr. EASTLAND and Mr. STENNIS], that I did not oppose the addition to the Appalachian region of these Alabama and Mississippi counties on the merits—because I did not know what the merits were. I opposed the addition of these counties because I believed that if counties are to be added to the Appalachian area, criteria should first be established to enable us to determine whether these areas possess the same characteristics which led the Congress to establish the Appalachian region and the country to approve a special program for it.

The Senator from New York [Mr. KENNEDY] this year proposed the addition of another county in New York, Schoharie. I believe it does meet the criteria, so far as we have determined them, of rugged terrain and of deprived economic position within the State; and the committee approved the inclusion of that county. I voted against the inclusion of that county for the reasons I have stated. I also voted against the inclusion of any other counties.

The senior Senator from New York [Mr. JAVITS] had also asked for two more counties, Sullivan and Yates, to be added to the region. I voted against that proposal for the same reasons. But I must say in all honesty, that if the county of Schoharie in New York should have been added, then I think the two other counties, Yates and Sullivan, should also have been added.

Mr. President, I felt that I should make this statement before the Senate today—as I have already made it in committee—to invite the attention of the Senate to the fact that if we are going to add new areas to the Appalachian region, they should be added upon the merits as meeting some definite criteria established by the committee.

I do not believe the criterion could be one of poverty alone—because there is poverty all over the country. To be qualified, there must be poverty as a result of the physical characteristics of the county which has caused it to become isolated.

I mention this basic concept of Appalachia in my letter to the Director of the U.S. Geological Survey, which appears in the hearings of our committee following the map facing page 471. I stated there:

> It is the rugged terrain of the Appalachian Region which has been responsible for its relative isolation—which has made it less accessible and less attractive to doctors, teachers and industry, so that health services, education and jobs have lagged far behind the progress of the country as a whole. That terrain also, of course, overlies the nation's primary deposit of coal—with which the economy of the region has been closely associated.
>
> It is to the human consequences of the region's physical geography, including its culture and history of development, that the Appalachian program is directed—to bring into the area more highways, vocational schools, health centers and jobs.

Mr. RANDOLPH. Mr. President, will the Senator from Kentucky yield?

Mr. COOPER. I am happy to yield.

Mr. RANDOLPH. With regard to the addition of counties in States within the Appalachian region and the immediate problem which we have under consideration in this bill of counties in Mississippi, Alabama, and New York, the bill contains the amendment proposed in committee by the distinguished Senator from Kentucky, which reads as follows:

> No recommendation for any change in the definition of the Appalachian region as set forth in this section shall be proposed or considered by the Commission without a

prior request by the Congress for study of such change.

I think the Senator from Kentucky believes the Congress should have this language as a guideline for the future.

Mr. COOPER. I appreciate that. In fact, I think that the Senator from West Virginia and I drafted that language, with the approval of the committee, so that we could deal with this problem in the future.

Mr. RANDOLPH. The Senator is correct.

Mr. COOPER. Mr. President, I emphasize that I have not raised this question because Kentucky has counties for which I wish to preserve a larger share of the benefits of the bill, on the contrary, I have received appeals from my own State to include additional counties in the Appalachian region. Rather, I have spoken to this point in order that we might have better guidelines for the future.

Mr. President, I will close by expressing appreciation once more to our distinguished chairman, Senator RANDOLPH, who has shown such excellent leadership not alone in the development of this bill, but in his constant effort to see that the purposes of the 1965 act are carried out by the agencies of the Federal Government. It has been a great pleasure to work with the Senator from West Virginia and the Public Works Committee, on which I serve as the ranking minority member.

I think it has been shown that under this program, greater progress has been made toward the development of the Appalachian region than under other concepts and programs. I believe this has proved to be true because the Appalachian program brings into play the initiative and the fuller participation of the States. My great hope is that the Appalachian program, with other Federal programs, will meet their ultimate purpose: that is, to help raise the living standards of the people of this region—and not only to provide them better opportunity to move to and from the area and out of isolation, but also to stimulate and inspire them, having obtained the means, to get a better education and vocational training, and to enjoy better health.

If we can do that, then I think the purposes of this legislation will have been attained.

Mr. ELLENDER. Mr. President, will the Senator from West Virginia yield?

Mr. RANDOLPH. I am very pleased to cooperate with my distinguished colleague from Louisiana in determining answers to pertinent inquiries which the Senator from Louisiana has to make, and which we have previously discussed off the floor.

Mr. ELLENDER. The Senator will recall that when the bill was being considered 3 years ago, I asked quite a few questions.

Mr. RANDOLPH. Yes; and they were very helpful in developing the record.

Mr. ELLENDER. I thank the Senator.

How much of the money authorized has been obligated or spent for instance, on highways?

Mr. RANDOLPH. $840 million was authorized and $300 million appropriated.

Mr. ELLENDER. Yes. Then $300 million of the total original highway fund has been obligated?

Mr. RANDOLPH. No; of that $300 million, $132 million was obligated as of February 28, 1967, and we expect that approximately $100 million more will be obligated by June 30.

Mr. ELLENDER. Has any new authorization been added for roadbuilding?

Mr. RANDOLPH. We have added, $175 million in new authorizations for roads.

Mr. ELLENDER. That is in addition to the $840 million?

Mr. RANDOLPH. That is correct.

Mr. ELLENDER. Now, with respect to the other titles, for water conservation, schools, and hospitalization, has all of the money which was originally or authorized, been spent or obligated?

Mr. RANDOLPH. As of February 28, 1967, a total of $55,485,319 was obligated for nonroad programs and projects, from a total nonhighway appropriation of $167,290,000.

Mr. ELLENDER. Does that include all the programs other than roads?

Mr. RANDOLPH. Yes; that is correct.

Mr. ELLENDER. How much of the original authorization has not been used?

Mr. RANDOLPH. $252.4 million was authorized, and something like $167.3 million appropriated.

The following table gives the comprehensive statement of funds for the Appalachian Commission:

Comprehensive statement of funds Appalachian Regional Commission authorization, appropriation, approval, and obligation

Department and agency	Section of Public Law 89-4	Authorization	2d supplemental appropriation fiscal year 1965	Appropriation fiscal year 1967	Total	Estimated obligations Feb. 28, 1967	Approved projects Mar. 31, 1967	Additional Appalachian Regional Commission approvals June 30, 1967	Budget request fiscal year 1968
Appalachian Regional Commission	105	$2,400,000	$1,290,000	$1,100,000	$2,390,000	$1,933,991			$785,000
Agriculture:									
Land treatment	203	17,000,000	7,000,000	3,000,000	10,000,000	7,000,000	$9,193,000	$182,000	3,000,000
Forest Service	204	5,000,000	1,000,000		1,000,000	75,000			
Commerce:									
LDD and research	302	5,500,000	2,500,000	2,750,000	5,250,000	2,206,611	2,505,754	1,311,844	3,000,000
Supplemental grants	214	90,000,000	45,000,000	30,000,000	75,000,000	18,445,427	43,060,759	30,553,277	30,000,000
Developing highway	201	840,000,000	200,000,000	100,000,000	300,000,000	[1] 132,200,000			100,000,000
Access roads	201	(35,000,000)	(17,500,000)		(17,500,000)	6,900,000		739,678	
Department of Army	206	5,000,000	1,500,000	1,830,000	3,330,000	1,823,000			2,000,000
Department of Health, Education, and Welfare:									
Vocational education	211	16,000,000	8,000,000	8,000,000	16,000,000	5,273,000	11,995,385	3,774,785	7,000,000
Dem. health	202	69,000,000	21,000,000	2,500,000	23,500,000				15,000,000
Interior:									
Bureau of Mines	205	36,500,000	16,500,000	7,000,000	23,500,000	10,254,000	17,491,326	929,430	800,000
BFWL	205		850,000	500,000	1,350,000	457,500	913,922	251,250	400,000
FWPC	212	6,000,000	3,000,000	3,000,000	6,000,000	2,116,790	2,116,790	2,419,043	3,000,000
Total									164,985,000

[1] Estimated obligations June 30 for highways and access roads, $234,000,000.

Mr. ELLENDER. Since they were not able to spend the money that was authorized during the period of this program, why is the Senator increasing the authorization for future years?

Mr. RANDOLPH. A leadtime was necessary in order to plan these programs for execution. They are "cranked up" now and we can move forward on the available projects.

Mr. ELLENDER. Was any of the delay caused by lack of interest in the States or counties involved?

Mr. RANDOLPH. I would respond that just the reverse was true. There is great interest among local and State officials. There is concern. There is cooperation. There was planning. Yet, quite naturally, in a program of this kind we were plowing new ground, as it were. The Senator from Kentucky [Mr. COOPER] and I have discussed this several times. There was not an undue delay. After the studies were made, we had to discuss where the money could be best invested to return dividends to the region.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. RANDOLPH. Yes; I yield to the Senator from Kentucky at this point.

Mr. COOPER. I think the chief area in which the amount authorized was not used was in the demonstration health facilities: $69 million was authorized; $23.5 million was appropriated.

I believe more was not appropriated because a Health Advisory Committee was established to assay the needs of the area for the demonstration health facilities. It was necessary to look at the entire area, because each of these facilities will be designed to serve several counties. The Health Advisory Committee did not make its report until last year.

In that case alone, $69 million was authorized, and only $23.5 million was pro-

vided by the budget and the Appropriations Committees. But the need is there just the same. There is a great need for demonstration health facilities. There is a lack of hospitals and clinics in Kentucky, West Virginia, and throughout the typical mountain areas.

Mr. ELLENDER. As I recall, in asking questions when the bill was first enacted, the amount authorized for these extra facilities, other than for roads, was thought sufficient to construct what the proponents of the bill had in mind at the time. Are we adding any more authorizations for the project the Senator has just talked about? For example, $69 million was authorized and only $23.5 million was spent. Is the Senator adding more funds to what are already authorized?

Mr. RANDOLPH. No, we are authorizing $70 million in addition to what has been appropriated.

Mr. ELLENDER. In addition?

Mr. COOPER. Yes; for the next 2 years.

Mr. ELLENDER. Only $23 million was spent.

Mr. RANDOLPH. The authorization for the next 2 years would be $70 million.

Mr. ELLENDER. The committee is adding new funds in addition to those previously authorized, but which were not spent or appropriated. In other words the committee is adding $70 million, which means that if the $70 million is spent, plus the approximately $25 million already appropriated under the previous authorization, there will be a total cost of $95 million. The original request was for $69 million.

Mr. RANDOLPH. The Senator is correct. The exact total, for the medical facilities program to which the Senator refers, would be $93.5 million for the fiscal years 1966 through 1969, if all of the recommended authorization of S. 602 is appropriated and obligated.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. COOPER. I think we must recall that the authorization, when the bill was passed, was split. One part went to the Appalachian development highways and access roads. The authorization was for 6 years.

Mr. RANDOLPH. On roads; not on the other programs.

Mr. COOPER. Yes, on roads; not on the other programs. The second part of the authorization—for the programs other than highways—was for just 2 years. Now that 2-year authorization has expired.

Mr. ELLENDER. That is what prompted the question. I was of the impression that the money provided for all the programs other than for roads would be spent over the first 2 years. It was expected that the amount would be sufficient to construct those projects.

Mr. RANDOLPH. I understand what the Senator says, but I think the record will disclose that during the colloquy in 1965 I indicated that we would come back for further authorization. I never implied that the funds requested in Public Law 89–4 would suffice, because in 1965 we did not know what the long-term requirements would be in the non-highway field.

Mr. ELLENDER. I thought the entire authorization which amounted to almost $1.1 billion would be sufficient to take that area of the country out of the "dumps," as it were; but it seems it will take a good deal more.

Mr. RANDOLPH. I must say again to my colleague from Louisiana that I never indicated that there was a particular sum of money which could do this job. I am sure I have never done that.

Mr. ELLENDER. What is the Senator's conclusion now? Will the amount the Senate committee is providing now be sufficient to bring these areas to a point where they can economically equal other areas? Let us take North Carolina. It is a fine State. There is a great deal of prosperity in most of its regions. There is much prosperity in Georgia. There is much prosperity in New York and Pennsylvania. I am just wondering how long we will have to continue to appropriate funds in order to carry these areas known as Appalachia.

Mr. RANDOLPH. Personally—and I would not speak for the committee on this point—I hope that the funds this bill will make available to the program, which is just now beginning to hit its stride will result in this area reaching the level of prosperity of the rest of the Nation. Frankly, it would be my hope that the Senator from West Virginia would never have to return to ask for funds. That would be my desire. But I cannot predict that this desire will be fulfilled.

Mr. ELLENDER. In addition to the amount authorized 2 years ago, the amount the Senator is now asking for will represent how large an increase? $175 million to $200 million?

Mr. RANDOLPH. For roads, $175 million.

Mr. ELLENDER. And for the other?

Mr. RANDOLPH. $273.650 million for all other programs.

Mr. ELLENDER. The Senator is of the opinion that would be sufficient to bring the economy of those areas equal to the other parts of the country?

Mr. RANDOLPH. I cannot say that it will. But I say that I am hopeful that it will. I would desire that very much.

Mr. ELLENDER. I notice that the committee has added 18 counties in Mississippi and 13 in New York. On page 33 of the report, it states:

> Eighteen counties in Mississippi pursuant to invitation from the State members of the Commissions. These 18 counties make up the Tombigbee River Valley Water Management District and the northeast Mississippi resource conservation and development project area.

Mr. RANDOLPH. That is correct.

Mr. ELLENDER. Are those new counties?

Mr. RANDOLPH. They are new counties. I wish to say that earlier today and last evening in my formal statement I explained the addition of those counties.

There were many requests for more counties. I remind the Senator from Lonisiana that when we first considered this legislation, Mississippi was considered for inclusion in the Appalachian region. The Senators from Mississippi were intensely interested at that time. However, cooperation of the Governor was lacking and we did not include them in the original act of 1965.

They are included in the Revision and Extension Act of 1967.

Mr. ELLENDER. What were the criteria? Are those counties attached to the Appalachian region?

Mr. RANDOLPH. They are.

Mr. ELLENDER. Are they part of it?

Mr. RANDOLPH. They are, geographically and in other ways, and we have spelled that out in the report.

Mr. ELLENDER. As to the 13 counties in New York, are we to understand that they are contiguous to the Appalachian region?

Mr. RANDOLPH. They have been in, from the beginning. These counties were invited in, in the original bill in 1965, by an amendment on the Senate floor. Those counties were included through the agreement of the Governor of New York and the commission.

Mr. ELLENDER. Then are we to understand that the 13 counties to which the Senator has referred in title IV were admitted 2 years ago?

Mr. RANDOLPH. That is correct, yes.

Mr. ELLENDER. Does the same apply for the 18 in Mississippi, or were they added this year?

Mr. RANDOLPH. We are adding the Mississippi counties this year.

Mr. ELLENDER. But the Mississippi counties are the only ones that have been added, which were not included in the 1965 Act?

Mr. RANDOLPH. No, we have included two in Alabama and one in New York. The committee has done that on the basis of very careful study. But we have language in the 1967 act to the effect that before additional counties may be added in the future, Congress itself will have to order a study and on the basis of that study, the committee will make its findings. We felt that we must not fragmentize or overextend the region. It has certain characteristics, and, as desirable as are the requests of Senators and others for additions, we feel that we must be very careful. That is the thrust of the amendment of the Senator from Kentucky, as he has expressed it today and before the committee. I concur in that thinking, and I know the Senator from Louisiana also feels as I do.

Mr. ELLENDER. To what extent, if any, has the committee modified the contributions to be made by the areas that would be benefited by the act? In other words, as I understand, on road construction the contribution is on a 50–50 basis. Is that correct?

Mr. RANDOLPH. It could be 70–30.

Mr. ELLENDER. Is there much on a 70–30 basis?

Mr. RANDOLPH. As I say, it can go to 70–30, but there is no change in the formula.

Mr. ELLENDER. What about the contributions in respect to other programs? Have the formulas been changed in any way?

Mr. RANDOLPH. The formulas have not been changed.

Mr. ELLENDER. What about the cost of administering the regional commission? Has that been revised?

Mr. RANDOLPH. The bill would authorize $1.7 million for administrative expenses.

Mr. ELLENDER. And the formula has not been changed?

Mr. RANDOLPH. It has been changed, yes, sir.

Mr. ELLENDER. To what extent?

Mr. RANDOLPH. It was 100-percent Federal, now it is 50–50, Federal and State participation.

Mr. ELLENDER. Fifty-fifty.

Mr. RANDOLPH. Fifty-fifty. We believe that the period of, let us say, Federal protectorship should now be past, and we have provided for equal responsibility.

Mr. ELLENDER. So that the State governments or the counties will pay 50 percent of the cost of the commission?

Mr. RANDOLPH. That is correct.

Mr. ELLENDER. I thank the Senator.

Several Senators addressed the Chair.

Mr. RANDOLPH. I yield first to the Senator from Oklahoma, because I had promised to yield to him at this point. He has certain commitments, and I know other Senators will concur in my yielding to him at this time.

Mr. HARRIS. I appreciate the Senator's yielding to me. While the distinguished Senators from Arkansas [Mr. McCLELLAN and Mr. FULBRIGHT] are here, they also have other meetings to attend, and are interested in making statements and asking questions about the Ozark Commission and the additions to the bill for the other commissions that have been made by the committee.

Mr. President, will the Senator yield to me at this time for the purpose of offering an amendment?

Mr. RANDOLPH. Yes, I yield to the Senator from Oklahoma for that purpose.

Mr. HARRIS. Mr. President, I send to the desk an amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. The Senator from Oklahoma [Mr. HARRIS] proposes an amendment as follows:

On page 55, line 9, after the words "The Secretary" strike out "is authorized" and insert in lieu, therefore, "shall."

Mr. HARRIS. Mr. President, before I discuss the amendment itself, let me state to the distinguished Senator from West Virginia, the chairman of the Committee on Public Works, how grateful I am for his very great spirit of cooperation and helpfulness towards those of us who represent States in other regions of the country. In the first place, Mr. President, we never would have passed title V of the Public Works and Economic Development Act of 1965 except with the vigorous support and active help of the distinguished chairman of the Committee on Public Works. I had the honor, up until this year, of serving under his great leadership on that committee, and I pay him that public tribute and express to him my public commendation and appreciation for that support.

That feeling on my part is doubled by the help the distinguished Senator from West Virginia has given to the consideration of the amendment which I and others offered to S. 602 in the Committee on Public Works, and which, by and large, was adopted by the committee. The amendment provides funds for technical assistance, administrative expenses, and research for the additional regional commissions established under the Public Works and Economic Development Act of 1965, and also provides beginning funds for supplemental grants-in-aid for the various commissions.

However, after the basic amendment was adopted in the subcommittee, the matter was then taken up in the full committee, and at that time the full Committee on Public Works made a change in the amendment, as it had been adopted in the subcommittee, which provided that the funds for the additional commissions provided in the amendment could not be spent by those commissions until the Secretary of Commerce had received and approved a comprehensive, long-range economic plan.

Mr. President, the purpose of the amendment I offered in the committee, which amendment by and large was adopted, was not only to provide funds for these regional commissions, but also to give them a measure of autonomy so that they might be more equal in their status with the Appalachian Commission. That purpose was served in the amendment by and large. But the addition of the words that I have just read, requiring a long-range comprehensive plan and its approval by the Secretary of Commerce before the funds provided in this act can be spent by these commissions, I think, is a step in the other direction.

So, I joined with several of my colleagues, the distinguished Senator from Wisconsin [Mr. NELSON], the distinguished junior Senator from Arkansas [Mr. FULBRIGHT], the distinguished senior Senator from Arkansas [Mr. McCLELLAN], and the distinguished senior Senator from Oklahoma [Mr. MONRONEY], in a letter to the Secretary of Commerce requesting an explanation of that requirement.

We were fearful that, if a total and complete comprehensive plan were to be required, these new funds would not be spent soon, and the Ozarks Commission would not be able to begin to provide the immediate help these regions need.

Mr. President, in response to our inquiry I received a letter from Mr. Ross Davis, Assistant Secretary for Economic Development, of the Department of Commerce. The letter is dated April 26, 1967.

It states in one important paragraph:

Accordingly, since at any given time it would not be correct to say that a plan is complete, the significant determination required of the Secretary is that the planning process has been initiated. This is all that the proposed amendments require.

Mr. President, I ask unanimous consent that the entire letter referred to may be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 26, 1967.

Hon. FRED R. HARRIS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HARRIS: Your letter of April 19, 1967, points out that S. 602—to amend the Appalachian Regional Development Act, recently reported out by the Senate Public Works Committee, contains a number of proposed changes to Title V of the Public Works and Economic Development Act of 1965.

In substance, your letter points out that these amendments, among other things: (1) will require each regional commission to "initiate and coordinate the preparation of long-range over-all economic development programs for such regions, *including the development of a comprehensive long-range economic plan approved by the Secretary;*" and (2), authorize certain supplements to federal grant-in-aid programs once a comprehensive long-range economic plan is established in accordance with (1) above.

You ask our comments on the effect of this language as an additional condition to be met by the commissions; what would be the official position of the Secretary of Commerce with respect to an acceptable comprehensive long-range economic plan; and evaluation of the new language described above; and finally, how this language will affect the administration of the program.

A primary function of the regional commission is, of course, the development of an effective long-range economic development program for the region. A key element of this activity is the planning process. In summary, the planning process referred to in sections 503 and 509(a) of the amendments (including the development of comprehensive long-range plans) is not a process which may be said to be completed at any given point in time and submitted to the Secretary for approval. On the contrary, it is an ongoing process, focused on economic development, comprehensive in scope but aimed at definite goals. It also is action orientated, project orientated, and constantly under study, review, and revision.

Accordingly, since at any given time it would not be correct to say that a plan is complete, the significant determination required of the Secretary is that the planning process has been initiated. This is all that the proposed amendments require.

The planning and program development process contemplated in the Public Works and Economic Development Act and included in the proposed new language will not in any way slow down or impede the progress of the regional commission program. As we interpret the requirements of the language, once the development planning process described above is started, the supplemental grant program also can be put into motion. And as long as the planning process is continued the requirements of the statute are met.

While planning, as I have indicated, is a key role of the regional commissions, it is not the only role. The supplemental grant program contemplated by S. 602 is an important adjunct to the planning process because it gives concrete evidence of the results of regional commission planning activity.

It was in recognition of this need that the President's budget for fiscal year 1968 included $10 million earmarked for supplemental grants for the regional commissions under the authority of Title I of the Economic Development Act. The additional authority for a similar but somewhat broader activity under the proposed amendments would augment this important phase of the regional commission program.

We are satisfied that this supplemental grant activity is both desirable and necessary. I assure you that the preliminary planning requirements will be used only to strengthen and not to stifle this activity.

I have discussed these principles with both the Secretary of Commerce and the

Director of the Bureau of the Budget. They have expressed agreement with the interpretation of the new legislation and the principles which I have outlined above.

If you have any further questions on this matter, I would be most happy to respond.

Sincerely,

Ross D. DAVIS,
Assistant Secretary
for Economic Development.

Mr. HARRIS. Mr. President, the pending amendment would amend lines 9 and 10 on page 55 of the pending bill. It would change the words "The Secretary is authorized" to "the Secretary shall."

I think that should be done, since we are limiting the authority of those commissions by this language on the requirement of a comprehensive plan.

I think it would therefore be more appropriate to say that, after the plan has been approved, the Secretary "shall" provide these funds, rather than that he is "authorized" to do so.

I hope that the distinguished chairman of the Committee on Public Works will be able to accept the amendment.

Mr. RANDOLPH. Mr. President, I do accept the amendment. The Senator from Kentucky [Mr. COOPER], the ranking minority member on the Committee on Public Works, is also agreeable to accepting the amendment.

We feel that it may be unnecessary, but we are willing to nail it down as the Senator desires. Therefore, we accept the amendment.

Mr. HARRIS. Mr. President, I am very grateful to the distinguished chairman of the committee.

I am sure that I know what the answer to my question will be, but I think we ought to make a further record on this matter. Is the Senator from West Virginia in agreement with the letter received from Mr. Ross Davis which has just been printed in the RECORD, from his own interpretation of the testimony given at the hearings and from the consideration afforded to this matter by the committee, that this merely means the initiation of a comprehensive plan and does not require a complete plan before the funds can be spent?

Mr. RANDOLPH. The Senator is correct. I am glad that the Senator referred to the documentation of his point by Assistant Secretary of Commerce Ross D. Davis, and I concur in the interpretations of the Assistant Secretary.

Mr. HARRIS. Mr. President, I yield to the distinguished Senator from Arkansas [Mr. FULBRIGHT].

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. FULBRIGHT. Mr. President, I join in the remarks of the Senator from Oklahoma. He has taken an active part and done great work on this matter.

Let the record show that I join with him in the amendment and in his request.

I express also my appreciation to the Senator from West Virginia who has been most cooperative with us in our efforts and in the efforts of the Senator from Oklahoma to try to bring the Ozarks region along in the wake, we might say, of the Appalachian program, which is doing so much to prove that this can be an effective way to develop the country.

I appreciate very much the efforts of the Senators from Oklahoma and West Virginia.

Mr. HARRIS. Mr. President, the distinguished Senator from Arkansas [Mr. FULBRIGHT] has been a real stalwart in our effort to get the Ozarks Regional Commission under way. The project would not have been possible without his vital help.

I appreciate the willingness of the chairman of the committee and of the ranking minority member of the committee to accept the amendment.

As the chairman of the committee knows, there is one further thing that we are interested in, and that is the tremendous need that exists in the Ozarks region for additional substantial and immediate funds, particularly in regard to lake access roads, ports, and highways generally, that are over and above the regular highway program and outside the means of the three States in the Ozarks region to provide in time to make fully usable, among other things, the Arkansas River navigation project.

I am very grateful for the memorandum which I received today from the distinguished senior Senator from West Virginia and for the conversation I have had with him since, to the effect that it is his plan, by mid-July, to hold hearings on legislation to authorize funds for these additional regional commissions.

Mr. President, I ask unanimous consent that the memorandum of April 26, 1967, from the distinguished senior Senator from West Virginia, to me be printed at this point in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM, APRIL 26, 1967

To: Senator Fred Harris.

From: Senator Jennings Randolph, Chairman.

DEAR FRED: I am informed that you continue to be concerned about the lack of program fund authorizations for the Ozarks Commission.

The members of the Committee on Public Works tried within the limits of the record before us to provide "seed money" in the form of supplements of grant-in-aid funds.

I understand and fully appreciate your feelings that more is needed if the so-called Title V Region Commissions are to do their job of revitalizing the economies of the areas included in those regions. For this reason, it is my intention to hold hearings in mid-July on legislation to authorize funds for programs for these regions. I believe that the Commissions already in existence can formulate cohesive and comprehensive programs based on the needs of the regions they serve.

I will contact you personally today to discuss the matter more fully.

Truly,

JENNINGS RANDOLPH,
Chairman.

Mr. HARRIS. Mr. President, I am very pleased to yield to the distinguished senior Senator from Arkansas [Mr. MCCLELLAN].

Mr. MCCLELLAN. Mr. President, I thank the Senator. I associate myself with the Senator from Oklahoma [Mr. HARRIS] and with my colleague, the junior Senator from Arkansas [Mr. FULBRIGHT], in the remarks they have made with respect to the pending amendment and the subject generally, and with respect to the memorandum from the distinguished chairman of the committee, which memorandum has just been printed in the RECORD.

I have read the memorandum and it assures us that hearings will be held.

I hope that the distinguished chairman of the committee, who is in a position to understand—and who does fully understand, I am sure—the problems we have in the Arkansas River Valley, particularly as it has been referred to here by the distinguished Senator from Oklahoma concerning the urgency of getting these roads built and the program activated and underway down there.

I hope, in view of what I know is his sympathetic understanding, that he can also give us his assurance not only that hearings will be held, but also that a very definite and sincere effort will be made to report legislation at the conclusion of those hearings, that the matter will be expedited, and that an effort will be made to report legislation to give us some relief and get our program authorized and underway.

Mr. RANDOLPH. Mr. President, I understand and fully appreciate the feelings of the Senator from Oklahoma and the Senators from Arkansas that more is needed if the so-called title V Commissions are to do their job of revitalizing the economies of the areas included within those regions.

The members of the Committee on Public Works tried, within the limits of the record before us, to provide what amounts to "seed money" in the form of supplements to the existing Federal grant-in-aid program.

Admittedly, the title V Commissions have been extremely slow in beginning their work. This has resulted from many problems with which we are aware. I stress the point that the Appalachian program, which we are extending and revising in the bill before us, was in the planning stage from 1960, when the Governors of Appalachia met in Annapolis, Md., until the Senate passed the act in 1965. The foundation of that act was the report of the President's Commission on Appalachia and hearings by the Committee on Public Works of the Senate in 1964. Even with this broad range of discussion and careful planning as a base, the Appalachian program itself has required time to function. As of February 28, 1967, obligations, including highways, have totaled almost $188 million. This is from an overall authorization of a $1.092 billion, and appropriations of $467 million.

There is no desire on the part of this Senator or the Committee on Public Works to thwart the aspirations of the people of the Ozark region. It is impossible for me, however, to accept an amendment for the authorization of substantial sums of money for programs which have not been given adequate hearing. I have no reason to doubt the validity of the request or the beneficial results which will be achieved by the construction of projects financed by this

request. But I do not see how we can avoid the established order in carrying out the business of the Senate. I have assured the Senator from Oklahoma and the Senator from Arkansas that I am ready to hold hearings, no later than mid-July, on legislation to authorize funds for programs for the title V regions. I believe that the Commissions so established and already in existence can formulate the kinds of programs and secure the backup data necessary to qualify for favorable decisions by the Committee on Public Works and the Senate. I request that we be accorded opportunities to reach decisions in the normal and reasoned way in which these matters should be handled.

Toward that end, I assure the Senators that I shall exert my conscientious efforts.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. HARRIS. I yield.

Mr. McCLELLAN. Mr. President, it is very gratifying and reassuring to me that the distinguished Senator from West Virginia, the chairman of the committee, has referred to our problem, what we are receiving at the moment, as "seed money." From his remarks, I clearly assume that he recognizes and concedes that seed money has to be cultivated if it is to grow and to develop. Therefore, from what he has said, I believe that he he is telling us that he is willing to put his hand to the plow and help us cultivate this seed money and see that it grows into the project that we so richly deserve and so humbly beseech him to help us secure.

Mr. RANDOLPH. The Senator has expressed a magic metaphor, but I do wish to make it meaningful.

Mr. HARRIS. The distinguished senior Senator from Arkansas has been the real guiding force behind some of the ideas that we have to increase the regional development program that is started in the Ozarks region. He and I have been practically living together the last few days. We have met with the Secretary of Commerce, the Budget Director, and the head of the Economic Development Administration. I am pleased to say that I join with the senior Senator from Arkansas, rather than that he is joining with me, in this effort today.

Mr. President, I am pleased to yield to the distinguished junior Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, I wish to express my appreciation to the Senator from West Virginia and to associate myself with the remarks of the senior Senator from Arkansas.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma.

The amendment was agreed to.

Mr. HARRIS. Mr. President, I am also grateful for the remarks that have been made on the floor by the distinguished Senator from West Virginia about hearings on authorizations and his willingness to help us get additional substantial authorizations for the Ozarks Regional Commission.

I have, together with other Senators, put together an amendment which I had intended to offer today, which would provide very minimal funds for the immediate road and highway needs in the Ozarks region, totaling some $62 million. I ask unanimous consent that a breakdown of that proposed amendment, and sums which would have been sought by it, be printed in the RECORD at this point in my remarks.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

Ozarks development highway system

1. Oklahoma:		
(a) Primary roads, 82.7 miles		$9,448,000
(b) Access roads, 117.4 miles		10,142,000
Total, 200.1 miles		19,630,000
2. Missouri:		
(a) Primary roads, 83 miles		17,600,000
(b) Access roads, 13 miles		2,000,000
Total, 96 miles		19,600,000
3. Ozarks region, public ports and terminal roads:		
(a) Access roads to ports, 24.49 miles		3,659,000
(b) Access roads to lakes and recreation areas, 536.5 miles		13,412,500
(c) Access roads to lakes and recreation areas under construction, 232.6 miles		5,815,000
Total, 793.59 miles		22,886,500

Mr. HARRIS. Mr. President, I emphasize that these are very minimal funds, the absolute basic minimum that is immediately needed if we are to accelerate the economic growth of this region of America, which has not kept up with the national economic growth.

Without prolonging this matter much further, I wish to point out that there has been great national attention given to the Appalachia region and its problems, and properly so. The Ozarks region, which encompasses western Arkansas, eastern Oklahoma, and southwestern Missouri, is a region of America which matches the very depressing statistics of Appalachia, and in many respects surpasses them. I refer to Adair County, in eastern Oklahoma, which is probably the county with the most depressing statistics in eastern Oklahoma, but is, I believe, nevertheless, typical of many of the counties of this depressed region.

Mr. President, I ask unanimous consent that an extract from census and other records, which gives some idea of the economic problems in this area, concerning Adair County, be printed in the RECORD at this point in my remarks.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

II. Adair—Median family income, 1960, $1,919

A. Total families:		
Total families		3,369
Families under $1,000		725
Families under $3,000		2,335
Percent of families under $3,000		69.3

II. Adair—Median family income, 1960, $1,919—Continued

B. Total labor force:		
Total labor force		5,500
Employment		4,400
Unemployment		1,100
Unemployment rate (percent)		20
C. Education: Men and women over 25 years of age:		
0 school years completed		372
1 to 4 years completed		1,227
5 to 6 years completed		983
7 years completed		642
Total less than 8 years		3,224
Percent with less than 8th grade		46
D. Public welfare aid:		
Total population		13,112
Total recipients		3,126
E. Housing:		Percent
Total housing	3,999	----
No piped water	1,753	45.8
Other toilet facilities or none	2,098	52.5
F. Racial composition of population:		Percent
White		76.7
Negro		.1
Indian		23.3

Mr. HARRIS. With the assurance of the distinguished chairman of the Committee on Public Works, for which we are most grateful, that we will have hearings by mid-July on additional substantial authorizations for the Ozarks Regional Commission and these other regional commissions under title V, and his willingness to help us get them, I shall not offer any amendment for that purpose at this time.

I thank the distinguished Senator from West Virginia.

Mr. HOLLAND. Mr. President, will the Senator from West Virginia yield?

Mr. RANDOLPH. If the Senator from Florida will allow me to conclude this discussion with an observation I will be glad to yield.

The PRESIDING OFFICER. To whom, the Chair asks, is the Senator from Oklahoma yielding the floor?

Mr. HARRIS. I had yielded the floor.

Mr. RANDOLPH. I had not understood that the Senator from Oklahoma yielded.

The PRESIDING OFFICER. The floor had been yielded by the Senator from Oklahoma.

Mr. RANDOLPH. May I address the Chair?

The PRESIDING OFFICER. The Chair recognizes the Senator from West Virginia.

Mr. RANDOLPH. I do assure and reassure the Senator from Oklahoma that the hearings we have discussed will be held. I hope that the hearings will develop sound reasons for amendments to title V of the Public Works and Economic Development Act of 1965.

Mr. HOLLAND. Mr. President, will the distinguished chairman of the committee yield to me for a question or two?

Mr. RANDOLPH. I am happy to yield to the distinguished Senator from Florida.

Mr. HOLLAND. The Senator will recall that this is one of the few measures of the so-called Great Society program

in the field of welfare—and that is the field this is in—that I have voted for. I was glad to vote for it.

There is nothing that counts quite so much as personal observation and inspection. I have seen something of the poverty and depression that has existed in some of the former coal producing areas and oil producing areas in West Virginia. I have seen something of the same sort in eastern Kentucky, and some, although not so much, of the problems in Pennsylvania.

I do want to see this program given a chance to suceed. That does not mean I wish to commit myself to it on any permanent basis.

Do I understand from the chairman of the committee that this extension is for 2 years? Is that the period of the extension?

Mr. RANDOLPH. The Senator is correct.

Mr. HOLLAND. And a small extension of area in a certain direction. This extension is for 2 years only.

Mr. RANDOLPH. The Senator is correct.

Mr. HOLLAND. Do I understand that the objectives of the program, which were largely confined to road construction, so necessary in those regions, and health work and vocational training, with some part devoted to reforestation, still remain the major objectives of the program?

Mr. RANDOLPH. The Senator is correct. The thrust of the program is the same as it was in the bill in 1965. Some 85 percent of the funds will go to construction and development of roads. It is important to repeat what I said in 1965, I have no desire to establish another bureaucratic program. I have a great desire to see the States by their own initiative develop this program as a partnership. They have been doing that and the program is underway. The achievements are notable, but final success is still to be attained.

I join the Senator from Florida in saying that these programs are sound programs, and they are going to pay dividends to this region and to its people.

The Senator from Florida knows the people of West Virginia. He has forebears in that State. He knows we have had problems, but they are on their way to be solved. The extension requested is not an unreasonable request. It is a continuation of a program that is now underway.

Mr. HOLLAND. I am glad to have that statement from the distinguished Senator.

Am I correct in my understanding that the highway construction program, giving access into this mountainous region, remains the major single part of the so-called Appalachian program?

Mr. RANDOLPH. The Senator is correct. We find new and diversified industries being developed. They are small units in some instances. There is a feeling on the part of the States within the area that we are providing the means by which they can meet their problems. In nowise could this program be characterized as a giveaway. It is an economic development program guided by sound criteria for the investment of public funds.

Mr. HOLLAND. I shall ask one more question. Has there been any reversal of the trend of loss of population in the State so ably represented by the distinguished Senator? There was a period when it looked as if West Virginia, a State which I dearly love, as the Senator knows was losing population, as well as losing revenue.

Has there been a reversal of that trend, resulting, in the main, from the program which we are talking about?

Mr. RANDOLPH. We believe there has been a recent stabilization of the population figure in West Virginia. We know in the period 1950–60 we lost approximately 7.3 percent of our population in West Virginia. Arkansas was the only other State which had a similar loss and it had a loss of population approximating 7 percent.

I hope this is not facetious. It is spoken in good humor. Even though we lost population I never felt that we actually lost it. We simply sent missionaries into Florida and other States throughout the Union.

We are stabilizing our population at the present time in West Virginia. We think this is due in part to a program created by the Appalachian legislation.

Mr. HOLLAND. As long ago as in the 1880's a West Virginian—whether she was a missionary or not I am unable to say—came into the State of Florida and helped to set up a Florida family of which I happen to be a member. If there is any way we can help now by assisting West Virginia to regain its impetus and get over this depression that has followed the difficulties in the coal producing business and the oil producing business, and other problems, I would feel as if we are beginning to balance our books.

I wish to tell the Senator from West Virginia that I expect to stick with him during these next 2 years. I make no commitment whatever for any period after that.

Mr. JAVITS. Mr. President, I propose to deal with a problem in the bill which may take one amendment, and certainly may take two amendments. I would like to get some feeling from Senators before I actually move to offer an amendment.

I wish to make a brief statement as to my position. Then, I shall yield to the Senator from Tennessee [Mr. BAKER], who has another engagement, so that he may express himself on this subject. Then I shall carry on the discussion.

Inasmuch as I am a lawyer, I wish to state what I wish to accomplish. One New York county has been added under this bill to the 13 counties which were added by the amendment to the original bill by the junior Senator from New York [Mr. KENNEDY]. I jointly sponsored that proposal at the time the bill was before the Senate.

That would make the added county of Schoharie, which is physically attached to those previously, in.

Now, Mr. President, the Senator from Kentucky [Mr. COOPER] has already pointed out, in that regard, that there are two other counties which were submitted to the committee, but without the same amount of data and detail that they had on Schoharie; namely, Sullivan and Yates Counties, which have the same kind of case to be included, but were not included.

My purpose here is to raise the question, and perhaps to move to amend the bill, to include those two countries; in any case, to raise the serious question whether it is fair to include one county without including the other two, in view of the fact that they all meet exactly the same kind of criteria, that it is strictly arbitrary to take one county and exclude two. All need it equally. It does not matter to the bill, because it is a question of what area we should reach that deserves to be reached.

The Senator from Kentucky [Mr. COOPER] referred to the fact that these two counties do meet the same criteria and emphasized that, although he was opposed to including any counties in the area of the bill, all he wanted were criteria which would enable us to judge whether additional counties, if there were to be any, belonged in this particular legislation.

I think that these two counties do. I think that the standards would be entirely served by the argument which I will make to show that they do. I will then determine, if we get some consciousness of how the committee feels about it, whether actually to press an amendment which I will call up in a moment.

In the meantime, I should like to yield at this time to the Senator from Tennessee [Mr. BAKER], so that he may express his views.

Mr. BAKER. I thank the Senator from New York for yielding to me. I hasten to say, as a member of the Committee on Public Works, and one who participated in the hearings which produced the bill, that I have already, before today, assured my colleagues that I support the bill and will urge acceptance of it.

As I also pointed out in my comments earlier, this is so, notwithstanding the fact that all of us, I suppose, do have some differences and some variations in viewpoints on how the bill and its purposes might be implemented in particular regions and areas. This does not detract, however, from the desirability of the vehicle of the bill with the approach on a regional and semiautonomous basis.

In this case, however, we are dealing with the addition of more counties designated as part of the Appalachian area to be brought under the cover of the various proposals for which the Appalachian bill provides.

The committee, I think wisely, has provided in the bill that this problem, in the future, may not be so much of a problem because it is providing, on request of Congress, that the regional commission will consider whether or not additional counties will be added from time to time.

I commend the chairman and the ranking Republican member for their foresight in so providing. However, to-

day, we are confronted with a situation which is a little different. We have not yet agreed to this amendment to the bill. We have not yet provided congressional control in determining what counties may be added. We do have, by the committee report, a recommendation; namely, the addition of one New York county, Schoharie. I certainly have no quarrel with the addition of Schoharie County. However, I do feel, under existing criteria and under existing tests of topography, of sociological considerations, and economic considerations, that the counties of Yates and Sullivan, adjacent to and in the same and contiguous area of New York, bear the same justification as Schoharie County and should be considered on an equal basis by the proposal which the Senator from New York [Mr. JAVITS], I understand, may now offer from the floor.

Mr. President, in closing, let me say that I do support the bill. I believe that it is a fine, new approach to a regional concept of sociological improvement. I believe, however, in the execution of impartial justice and equity, that if Schoharie County is included now, as is recommended by the committee, the Senate should give consideration to considering Sullivan and Yates Counties as well, which bear substantially the identical characteristics as the one now proposed to be included.

I thank the Senator from New York for yielding to me.

Mr. JAVITS. I thank my colleague very much for his remarks. I point out that he carried the ball for me in the committee in a very valiant effort to get these two counties included. I am grateful to him. I think that the people of New York will also be grateful to him for what he has done.

Mr. President, I call up my amendment which is at the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 53, line 21, after the word "Steuben" add the word "Sullivan" and after the word "Tompkins" add the word "Yates."

Mr. JAVITS. Mr. President, I have really laid down, and my colleague, the Senator from Tennessee [Mr. BAKER] has already confirmed from his intimate knowledge of the activities of the committee, the basic point which is involved; namely, that if we include the additional county of Schoharie, there is really no reason in logic or justice why Sullivan and Yates Counties should not also be included.

They meet the criteria, in the sense that the topographical map shows them to be mountains, high hills, and rugged terrain in the Appalachian region, as it is defined, that both counties have relatively modest populations; namely, Sullivan, 45,272, according to the last census, and Yates, 18,614.

When we lay them side by side with the criteria for Schoharie County, which the committee lays down as its justification, contained on page 47 of the committee report, on any standard—the first standard is families with incomes below $3,000—Schoharie County has 27.9 percent. The average for Appalachia is 17.1 percent.

The figure for Yates County is 25.3 percent. The figure for Sullivan County is 21.9 percent—all in the same general order of magnitude.

The unemployment rates for Schoharie County are somewhat higher than they are for Yates and Sullivan.

Sullivan, 6.3 percent.

Yates, 4.1 percent.

Schoharie, for summer unemployment, shows a little over 8 percent.

The 13-county average unemployment rate in 1966 in this New York area was 3.5 percent.

On the figure of those 25 years and older who have incomes in excess of $10,000, another one of the criteria set forth in the committee report, again there is comparability, the figure of roughly a little over 7 percent. This is shown on page 48 of the committee report.

In Yates County, for example, it is a little over 8 percent.

In short, Mr. President, as we look at the criteria upon which the committee apparently bases its judgment, it is almost impossible to distinguish these two counties, in the sense of the order of magnitude, from the county which was included.

In addition, both these counties are contiguous to the are to be served. Sullivan County, incidentally, is not only contiguous to the New York counties, but also has a direct tie-in with Pennsylvania counties within the Appalachian region and has a considerable economic community of interest with them.

Now, Mr. President, the question which faces me, under the circumstances, is whether to tempt the fates by pressing the amendment and getting a vote and perhaps having it turned down in view of the natural disinclination—which I can understand—on the floor, even by my friend the Senator from Kentucky [Mr. COOPER], to add additional counties, or whether to ascertain, in some way, the view or the rationale of the chairman of the committee and the ranking minority member, which prevailed in the committee, and then go to work in the other body—I have talked with both Representatives who handle these two particular areas—in the expectation or hope of getting it included there, and again the expectation or hope that it might, if included there, have favorable consideration by the conferees here.

Also, Mr. President, I am somewhat motivated and concerned by the fact that the counties which are legislated into the bill are now, if the bill stands as it is, being rather thoroughly locked in, because the provisions of the bill which will now become law—assuming that the bill goes through as it is presently set before us—deprive the Appalachian Commission of the opportunity to study the inclusion of additional areas unless they are requested to do so by the Congress. That means a law passed by the Congress and signed by the President, which seems to me a very cumbersome proposition in terms of getting any other areas studied in the first instance.

Again, this is a question to be presented to the committee which passed on the matter. Did they intend to make it as tight as all that, which, for practical purposes, bars these two additional counties from getting included in the Appalachian region, no matter how meritorious their case may be, in the days ahead, or was it their intention that there would be requests for surveys, et cetera, by the committees of the Senate and the House, in which case there would be some hope of being able to do something about the situation?

Mr. COOPER. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. COOPER. The chairman of our committee, who is the floor manager of the bill, has referred this question to me, because I am responsible for having made the suggestion that a curb be placed upon the addition of other counties.

Following discussions in the Special Subcommittee on Economic Development and in the full committee, we developed this provision. Its purpose is to prevent the Commission, on its own initiative, from making recommendations toward the admission of other counties or areas, which would inevitably lead to pressure upon the committees of Congress to admit them.

Upon the initiative of the Senator from New York in bringing it to my attention, I must say that it may, in fact, be too restrictive.

There is a precedent initiating studies of this kind. The precedent is that, upon a resolution adopted by the Public Works Committee, the Corps of Engineers can be directed to undertake a survey or review of a project—which may require for its completion millions of dollars.

As I understand, the senior Senator from New York is proposing that the bill be amended so as to authorize a study of any proposed change in the geographic definition of the Appalachian region—upon the adoption of a specific resolution by the Public Works Committee. Is that correct?

Mr. JAVITS. That would be my thought. At the least, I would hope that we would have some chance, if we failed in the present effort and in the other body.

Mr. COOPER. I believe the change should be made.

I say that as the one who initiated the idea of placing some restriction on the addition without criteria of new counties. I repeat that my idea about the addition of other counties is not directed toward the merits of the admission of any particular county. Rather, as I stated on the Senate floor a while ago, and as I also made known in my supplemental views filed as a part of the committee report, I believe there is a danger to the entire program if areas and counties are added without clearly established criteria.

I will say again what I said in the committee: At least upon the basis of the reasoning implied by the admission of Schoharie County, there was just as much reason for the counties of Sullivan and Yates to be included.

Another question was also thoroughly considered in the committee. That was the additional highway authorization proposed—$140 million in additional authorization for the Appalachian development highway system, required by the inclusion in that system of the corridor from Erie to Binghamton across the southern tier of New York counties, and the connecting link from Elmira south into Pennsylvania at Williamsport. It amounts to 350 additional miles of development highway, which is included in the total mileage authorized by this bill, and as I recall the New York portion amounts to $108 million for improving Route 17. While it is mileage and an expenditure not contemplated in the 6-year highway program included in the 1965 act, the question was resolved in committee on the grounds that the New York area was added to the region on the basis of a study specifically directed by the Congress—and that this area was therefore fully entitled to share in the Appalachian programs in the same way as every other area within the region.

I remember that the Senator from New York did confer with me about the importance of this Appalachian highway corridor, and strongly supported the highway authorization recommended also by the Governor of New York. So I believe it is correct that the Appalachian area of New York will receive assistance under this bill.

Upon the question of defining or changing the boundaries af the region, I might suggest to my friend—and we have been friends throughout our service in the Senate—that I think an orderly way to approach this problem would be to call upon the Senate Public Works Committee to hear the Senator. Then we could consider a resolution which would direct this study to be made. That, it seems to me, would be a practical approach, and I would support him.

Mr. JAVITS. I am grateful to the Senator from Kentucky.

I yield now to my colleague from New York.

Mr. KENNEDY of New York. Mr. President, I thank my senior colleague for yielding to me.

I would like to see these other counties that Governor Rockefeller and others have named come under the Appalachia criteria and be included in the bill. In fact, there are counties along the whole of that part of the United States which should be included. I would be delighted to have Sullivan and Yates Counties also included. Obviously, it would be of great help to the State of New York.

I want to express my appreciation to the chairman of the committee, the Senator from West Virginia [Mr. RANDOLPH], for his efforts from the beginning to include the State of New York in the Appalachia program.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. JAVITS. I yield to the Senator from West Virginia.

Mr. RANDOLPH. I would remind my two distinguished colleagues from New York, if they will remember, that the mechanics by which New York was included in the Appalachia region was adopted on the floor. I had an appreciation of their problems then. I attempted then, as I have since, to be sympathetic.

Mr. KENNEDY of New York. I think we of New York owe a debt to the Senator from West Virginia because he took a personal interest in our problem. Having difficult economic problems in his own State, he is aware of other areas which suffer financially and economically. He therefore took great interest in our problem. So I think all of us in New York owe him a debt of gratitude.

Since then the Senator from West Virginia has always expressed great interest in the effectiveness of the program in the State of New York, and the development of the program and areas that could be included. We talked about Schoharie County initially. Again, after studying the matter and bringing the matter before the committee, he was finally able to include Schoharie County. We talked about this county, as well as the other counties. The Senator thought, in view of the financial drain that has already existed, perhaps we should move with Schoharie County. As I understood, he was going to continue to study the other areas, and when he was in a position where he could get the support of the committee and the Government, they would be included.

I would be delighted to have the rest of the counties included, but I think I would be less than candid if I did not say the State of New York already owes a great debt to the Senator from West Virginia and to all the members of the committee, and to the Governors, and to the Federal Government, for their aid in building some of our schools and water pollution plants that are being and are to be constructed in this area. If it had not been for the interest of the Senator from West Virginia and the other members of his committee, and the interest of the Governor of New York and the others, we would not have a program at the present time.

I am happy that my senior colleague has offered this amendment. I support the change in language. I have had a number of conversations in connection with this matter over a long period of time, but I thought I would like to have the whole record complete.

Mr. JAVITS. Mr. President, Senator KENNEDY certainly, I think, deserves the credit he has received for bringing this amendment to the floor. I am very happy and proud to join with him in it. I think it has been very constructive.

I heartily concur with the Senator as to the debt we owe the Senator from West Virginia. We will continue to owe it. The only reason I brought up this question is because there are very basic equities involved, where people in contiguous counties in the same situation certainly would have a right to feel that they should share in what their neighbors are sharing.

For practical purposes, I think it is always good to cooperate with the chairman of a committee, and in this case even more good than usual. Therefore, Mr. President, because I feel as I do, I should like to reverse the order of my proposed amendments, to withdraw the amendment which I have sent to the desk, if I may——

The PRESIDING OFFICER. The Senator has that right.

Mr. JAVITS. And, if I may be recognized, to send to the desk another amendment in an effort to deal with the problem of the locked door on even the consideration, in the future, of some additional county.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 54, line 6, strike out "request by the Congress for" and insert in lieu thereof "resolution by the Committee on Public Works of the Senate or of the House of Representatives, directing".

Mr. JAVITS. Mr. President, the idea here is to follow the same procedure which is dealt with in studies by the Corps of Engineers on road and other similar projects, rather than to lock the matter into a law which requires action by Congress and perhaps signature by the President.

The use of the word "Congress" in the bill is very uncertain. If nothing else, this amendment would give specificity to what is an uncertain designation.

Mr. President, if I may have the attention of the Senator from West Virginia, I will state that my own attitude as to what to do about this matter under the circumstances will be heavily conditioned by his views. I certainly hope that he will be kind enough to let us know his feelings about the amendment now at the desk, which is the pending business, relating to the way in which a study can be brought about, and I seek his general disposition on the substantive question of the addition of the two countries we have discussed.

Mr. RANDOLPH. Mr. President, in response to the inquiry of the senior Senator from New York, I agree with the distinguished minority member of the Committee on Public Works that in tightening the procedure by which counties would be included in the Appalachian region we were really doing what is proposed in the amendment of the Senator from New York. We were thinking of the term "Congress" as embodying the action of the Committee on Public Works, just as we do now in the resolutions for projects under the Corps of Engineers, the water study projects, and other projects that fall within that type of authorization.

I am firm in my thinking that we have come to the time when we must carefully study any requests for additions to the region. My acceptance of the Senator's language does not indicate any lowering of the bars, as it were, because we will study the counties that are requested, and I would want the very able Senator from New York to know that we feel that accepting his amendment in nowise weakens the language we reported. The amendment confirms our thinking.

Therefore, I join with the Senator from Kentucky in accepting the amendment.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. ELLENDER. As I understand the amendment, if a project is to be accepted, it will have to go back to the committee and be passed upon by Congress?

Mr. RANDOLPH. Yes.

Mr. ELLENDER. Congress is not being bypassed?

Mr. RANDOLPH. No.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

The amendment was agreed to.

Mr. JAVITS. Now, Mr. President, I have thought through what would be in the best interests of the two counties involved, and have come to the conclusion that it would be in their best interests, with the matter at this stage, if I did not seek here on the floor of the Senate to have them included.

My estimate of the situation is that the effort would probably be rebuffed, for reasons not necessarily connected with the merits, in view of the fact that there seems to be a general disposition among Senators to at least be very careful about any new counties going in over and above those that are already in.

Under the circumstances, it seems to me that I would be best advised, in the interests of the people of my State, to await the action of the House of Representatives, which has not yet even held hearings, where the matter can be pressed in behalf of Sullivan and Gates Counties, and facts and figures adduced specifically before the committee. I shall testify before the House committee myself, and I already have the assurance of the Members from New York who represent those counties that they will press the matter. That, plus the fact that there is a capability under the bill as we have now amended it to bring about a study and review of the situation, in a considered way, by the Senate Committee on Public Works, leads me to feel that under those circumstances, Mr. President, I should not risk the good case which I feel very deeply those counties have been given a black eye by pressing for a record vote on my other amendment and having it turned down, in some lopsided way, for reasons quite different from the substantive question involved. In that position I have the sympathy, I know, of the chairman of the committee and the ranking minority member.

Again I join Senator KENNEDY in expressing appreciation for what has been done. I would never want the Senator from West Virginia or the Senator from Kentucky to feel that our interest in and our desire to press for the interests of these two counties represents any denigration of our deep appreciation for the consideration which we have received; and that will always be true, no matter how much we may, at a later date, press for. I think the equity is real, and I would not wish to jeopardize in any way the interests of the people of those counties by pressing for their inclusion at a moment when they might not be included, without the case being decided on its merits.

For that reason, Mr. President, I shall not press for the amendment to include the two counties, but rest my case upon the change which has been made; and I hope that we may—and there is a real expectation that we can—in the hearings before the House of Representatives, receive the consideration on the merits which we have not, for reasons for which no one is to be blamed, received here.

Mr. TYDINGS. Mr. President, I urge prompt passage of the Appalachian Regional Development Act Amendments of 1967. This bill is the product of exhaustive research, hearings, and executive consideration of the Appalachian program by the Public Works Committee, under the outstanding leadership of its chairman, the distinguished senior Senator from West Virginia, Senator RANDOLPH.

This bill, hammered out in extensive consultation with State officials of each of the participating States and the Federal officials concerned, will provide a thoroughly effective foundation for the continuation of this essential regional development program.

Particular credit is due to Chairman RANDOLPH, Senator COOPER, ranking minority member of the Public Works Committee, and the excellent committee staff for once again bringing forth a sound and reasonable program for the development of the Appalachian region into a vigorous participant in the American economic system.

The poet John Donne's thought that "No man is an island," has particular application to the Appalachian area. In the Appalachian Regional Development Act, Congress recognized that the well-being of all America suffers when a substantial part of its people and territory are cut off from contributing to the mainstream of modern economic activity. The Appalachian region typifies a number of areas in America where accidents of time and geography have prevented modernization of the economy and life of the people.

The Appalachian Act, by providing Federal funds to supplement and accelerate the economic development of the Appalachian region, has provided the "seed capital" essential to bring the Appalachian region into the twentieth century, so that its people may share in and fully contribute toward the American prosperity.

I am proud to be able to say that the Appalachian program was literally born in my own State of Maryland at a meeting of the Appalachian region State officials in our capital at Annapolis in May 1960. From that meeting, with the full participation of my own State under the leadership of its former Governor, Millard Tawes, grew what has today become the Appalachian program.

Maryland has had an important participation in the Appalachian program. Only our three most westerly counties—Garrett, Allegany, and Washington—are directly involved in the program, but the benefits to these counties have been substantial. To date these three counties in my State have made use of, or plan to use, a total of $13.7 million of Appalachian development funds for highways, vocational education facilities, a regional health center, hospital additions, sewer projects, and a library. These funds, which, but for the Appalachia program, would not have been available, have enabled these beautiful and potentially bountiful areas of Maryland to take substantial steps forward in their economic and educational development.

My one disappointment is that the vision of a modern interregional highway to connect the Ohio Valley with the ports and industries of the middle Atlantic coast, including the port of Baltimore, is clouded by the limitations on funds which the present war situation imposes on all our activities, including the Appalachian program.

Modernization of existing roads in western Maryland and the adjacent Appalachian area is now being undertaken with Appalachian program funds, but they are not sufficient to the real challenge of such a highway. The committee is to be commended for reporting a very reasonable bill which balances the needs of the program with the funds available. But I hope that when the current budget limitations imposed by the war in Vietnam recede, we can give special attention to the completion of a modern expressway running all the way from central Ohio, through West Virginia, to Hancock, Md., where it can join existing Interstate 70–S and run to the sea. Such a highway would be a lifeline link, directly across the heart of the Appalachian region, between the major industrial and transportation centers of the eastern half of our country.

Likewise, I hope that when the committee completes its Appalachian work it can turn to other regions of the country whose economic problems are comparable to Appalachia's. One such area which immediately comes to mind is the area of Delaware, Maryland, and Virginia, which lies between the Atlantic Ocean and the Chesapeake Bay. I hope that, as funds become available and the Appalachian program is assured of completion, we can consider a similar program of development for the Delmarva region, where tri-State cooperation and planning are already well advanced. By providing reasonable Federal assistance to the Delmarva area, we could, I am confident, greatly accelerate the economic development of this beautiful, but economically depressed portion of the three-State area.

I believe the idea of Federal-State cooperation the Appalachian program embodes clearly represents the wave of the future in our Federal system. The Appalachian Regional Commission, made up of the States themselves in partnership with the Federal Union, has strikingly demonstrated what progressive and enlightened State government can do in unselfish cooperation with its neighbor States and with adequate Federal assistance to meet regional problems. These States have said "Give us the money and we'll do the job." And they have done that job remarkably well.

Mr. President, I vigorously support the Appalachian Regional Development Act

Amendments of 1967 and urge their prompt enactment.

Mr. RANDOLPH. The Senator from Maryland, a member of the committee, actively participated in the development of this legislation and I want him to know that I appreciate his efforts.

Mr. KENNEDY of New York. Mr. President, I am pleased to support S. 602 which extends and revises the Appalachian Regional Development Act of 1965.

Two years ago, during Senate discussion on the original Appalachian Act, I took the opportunity to urge that certain New York counties be considered for inclusion in the Appalachian region and be made eligible for assistance under the Appalachian program. Senator JAVITS and I sponsored an amendment to this end which was accepted by the Congress.

That New York is a fully participating member of the Appalachian program is, I believe, a high tribute to the spirit of regionalism which characterizes the program. In August 1965 the 11 Governors who were then members of the Appalachian Commission extended to New York an invitation to join the program. New York accepted the invitation and began immediately to receive the benefits of all Appalachian program funds with the exception of highway funds. The generous decision of the 11 Governors at that time to admit New York to the program meant, of course, that their States shares of Appalachian funds would be slightly reduced in order for New York to receive Appalachian assistance. The decision was, however, made unanimously and was in keeping with the Appalachian States desire to develop the economy of all of Appalachia so that the benefits would be truly regional in scope.

At the time that New York was admitted to the program in August 1965, the Federal cochairman and the State cochairman of the Appalachian Commission said:

> We feel that the continuing development investment which will be made in the 13-county area of New York will be of significant economic benefit to the entire Appalachian region. The 13 New York counties are similar to the Appalachian region in that they are abundant in natural resources, rich in potential, but lag behind the rest of the nation in economic growth.

In August 1965, the Appalachian Regional Commission initiated a highway study to determine New York's highway needs under the Appalachian program. In March 1966, the Commission voted once again unanimously to include New York State in the Appalachian development highway system. This inclusion took the form of a 252-mile Appalachian highway corridor from Binghamton, N.Y., to Erie, Pa.; and a 78-mile highway corridor from Elmira, N.Y., to Williamsport, Pa.; thus linking New York's Appalachian highways with the rest of the Appalachian highway system. The Commission also allocated $25 million in Appalachian funds for preliminary engineering, location studies, and construction on the two New York highway corridors.

Once again the State members of the Appalachian Commission demonstrated their total unselfish commitment to the development of the entire Appalachian region. The east-west New York highway corridor, running from Binghamton to Erie, will parallel and replace existing U.S. Route 17 in New York's southern tier counties. The construction of an adequate highway across southern New York is absolutely essential to the economic development of the area, which because of poor access has been bypassed like so many other parts of Appalachia.

I am confident that the southern tier counties will achieve a greater rate of economic growth through the construction of the Appalachian highways and through the various other programs authorized by the Appalachian Regional Development Act.

Senate bill 602 provides for an increase in highway authorizations for the Appalachian program in order to accommodate the inclusion of the two New York highway corridors.

This bill increases the authorized mileage for the entire Appalachian highway system by 350 miles, from 2,350 to 2,700 miles. It also increases the dollar authorizations from $840 million to $1.015 billion for the 6-year life of the highway program. The specific highway authorization in this bill is $715 million for the 4-year period ending June 30, 1971. The $300 million already appropriated for highways, when added to the $715 requested in S. 602, adds up to a total of $1.015 billion, as compared with the original authorization of $840 million in the Appalachian Regional Development Act of 1965.

This is an increase of $175 million, of which $140 million will be used to construct the two new highway corridors in New York and Pennsylvania.

The new highway authorization in S. 602 represents a valuable and worthwhile addition to the Appalachian program. Congressional approval of the new authorization will make possible the construction of a major highway in the southern tier counties of New York State which will have a significant and permanent impact on the economy in those counties and in certain northern Pennsylvania counties.

I am pleased that S. 602 permits the inclusion of Schoharie County, N.Y., in the Appalachian program, thus raising the total number of New York counties from 13 to 14. Schoharie County, because of its income and employment characteristics, deserves the type of assistance that it can receive under the Appalachian program, and I therefore urged its inclusion in the region.

The Appalachian program has been making an impact in the southern tier counties. In the year and a half that New York has been participating in this program it has received $30.6 million in Appalachian assistance, including $25 million for highways and $5.6 million in other grants. These grants have been approved for a variety of New York projects which include four vocational education schools, two hospitals, three libraries, two airports, and four sewage-treatment plants. This $5.6 million has made possible the construction of $15 million worth of public facilities in New York State. Many or most of these facilities would not have been built without this special supplemental assistance from the Appalachian program.

Joint Federal-State programs are not new. But this program offers a unique opportunity for States to participate—to share in the decisions and directions of the program.

The Governors of the 12 States of Appalachia are responsible for determining the investment of the Federal money in their States. The States devise their own plans for economic development based on their knowledge of their needs. The Federal Government cannot unilaterally decide for the States what should be done, what projects should be supported. The cooperation of the Governors is essential.

The degree of that cooperation during the 2 years of the program has been outstanding. All decisions on allocations of funds by the Appalachian Regional Commission have been made by unanimous vote. This type of cooperation has made it possible for New York to participate as a full partner in the program. With the passage of S. 602 New York State will continue to work with the other States on regional development.

The Appalachian program is necessary to the economic development of the entire region just as it is vital to the economic well-being of New York's Appalachian counties. The Appalachian program represents the first attempt in this country to stimulate the economic growth of a specific region. Passage of S. 602 will give the Appalachian Commission the means to build an even more successful program on the foundations that have already been created.

Mr. RANDOLPH. The Senator from New York has been unceasing in his efforts to bring to his State the benefits of the Appalachian program. He has contributed much to its development and his counsel and assistance have been valuable.

Mr. MONTOYA. Mr. President, I rise to congratulate the Senator from West Virginia [Mr. RANDOLPH] for his outstanding leadership and splendid work in giving S. 602 prompt, comprehensive hearings, and for reporting it to this body for early consideration. I also rise to urge my colleagues to give this bill prompt and favorable approval.

The Appalachian Regional Commission was established in 1965 as a working partnership between the States and the Federal Government to assist in economic revival of a 12-State region. Success of the program over the ensuing 2 years attests to the validity of the concept of directing resources under an economically integrated plan to geographically related regions.

Title I of the amendments to the Appalachian Regional Development Act of 1965, which we are considering here, would provide necessary funding and additional authority to permit the Appalachian Regional Commission to continue while enlarging the economic development work it has so ably and successfully begun. By giving this bill before us prompt approval we can permit this work to continue uninterrupted.

But we should not be distracted by the fine example set by the Appalachian Regional Commission from the needs and wants of the other regional commissions that have not been as fortunate. Instead, we should benefit from experiences of the Appalachian Regional Commission, according the other commissions the same support we have extended this one.

Five additional regional commissions have been established since formation of the Appalachian Regional Commission under provisions of the Public Works and Economic Development Act of 1965.

These regional commissions are the Ozarks, Upper Great Lakes, New England, Coastal Plains, and the Four Corners region which includes parts of my home State of New Mexico as well as Utah, Colorado, and Arizona.

These five commissions have been patterned after the Appalachian Regional Commission. However, these commissions do not possess the same degree of independence in achieving the desired State and Federal Government partnership now enjoyed by the Appalachian Commission. Consequently, they have been severely handicapped in their efforts aimed toward economic development of their respective regions.

I am, therefore, very pleased to join Senator FRED HARRIS, of Oklahoma, and seven of my Senate colleagues in sponsoring the three amendments contained in title II of S. 602 which would amend title V of the Public Works and Economic Development Act of 1965. I believe these amendments are essential to making regional commissions effective, viable organs much like the Appalachian Regional Commission has proven to be.

Specific funding provisions of the amendments will place these commissions, which operate in regions having highly diverse economic problems as well as greatly differing populations, on a firmer planning basis.

The first amendment is a clarifying one to section 503 of the Public Works and Economic Development Act of 1965. In its present form this section states that the commission with respect to its region will "initiate and coordinate the preparation of long-range, overall economic development programs for such regions." This would be amended to include development of a comprehensive, long-range economic plan approved by the Secretary of Commerce.

This amendment will govern expenditure of funds in all of the five title V regions by allowing the Secretary to exercise overall administrative control.

The second amendment adds to section 505(c) of the Public Works and Economic Development Act of 1965 . To quote from the report of the Senate Committee on Public Works:

> The development of the other regional commissions, five in number, has been unreasonably slow. Much of this delay is the result of the failure to make funds available for administrative expenses and technical assistance.

It is essential that we prevent any further delay by appropriating necessary funds. Section 505(c) would authorize $15,000,000 each assistance. This amendment provides that no more than $2,500,000 of the funds appropriated each fiscal year may be allocated by the Secretary to each regional commission.

This will insure that each commission will receive funds necessary to function properly in this area. Without a safeguard of this type, a disproportionate funding breakout between larger and smaller commissions could seriously hamper planning in such smaller regions as Four Corners or Ozarks.

The third amendment establishes a new section 509 in the Public Works and Economic Development Act of 1965, related to supplements to Federal grant-in-aid programs. It authorizes the Secretary of Commerce, once the comprehensive, long-range economic plan is in effect as established by the first amendment, to provide funds for increasing percentage of Federal participation.

The Federal grant-in-aid programs from which funds may be used include programs authorized by title I of the Public Works and Economic Development Act; Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963, and others. No program will be included in which loans or other Federal financial assistance, except grants-in-aid are the source.

The Federal portion of such costs shall not be increased in excess of percentages established by each Commission, and shall in no event exceed 80 percent of the program cost. For this purpose, it is recommended that the Secretary be appropriated $5 million in fiscal year 1968 and $10 million in fiscal year 1969.

The purpose of this amendment is to enable maximum advantage to be taken of Federal grant-in-aid programs for which States and other entities are eligible, but for which they cannot supply the required matching funds.

It is my contention that support of these amendments will fulfill the congressional intent of cooperative State-Federal programs and thereby give an economic stimulus to commissions established in the Ozarks, Upper Great Lakes, New England, Coastal Plains, and Four Corners regions.

Mr. President, prior to passage of the Public Works and Economic Development Act of 1965, I had joined with the Senator from Utah [Mr. Moss] in introducing legislation which would have established as an economic development region, the area which has since been designated as the Four Corners Regional Commission under title V of the act.

I had worked closely with former Gov. Jack Campbell, of New Mexico, and the State delegations of Utah, Colorado, and Arizona as liaison with the Secretary of Commerce in an effort to secure early establishment of this Commission. The establishment of this Commission was very important to me and therefore, I was most pleased when the Four Corners Regional Commission was designated in December 1966.

However, much needs to be done to insure the necessary funds to permit this organization to adequately and successfully perform its functions. The experiences of Regional Commissions, other than the Appalachian Regional Commission, disclose that there have been long, unnecessary delays simply because of lack of funds to permit them to proceed with planning and development.

I say unnecessary delays because the Appalachian Regional Commission has shown us what can be accomplished if given necessary financial support by Congress. We must move forward swiftly to fill a void that has existed and which has not permitted the other five regional commissions to proceed as we who helped in their formation had hoped they would and could.

I urge my colleagues to join me today in supporting this most essential and long overdue legislation to allow all Regional Commissions, including Appalachia, to march forward in their economic planning and development.

Mr. RANDOLPH. I thank my colleague on the Committee on Public Works for his kind words and his great assistance in bringing S. 602, to the floor of the Senate. His efforts are deeply appreciated.

Mr. MILLER. Mr. President, the Appalachia bill came before the Congress in 1965 under the aura of being a program to uplift distressed areas. That there are distressed areas among many of the counties listed as comprising the Appalachian region no one can deny. However, there were 67 of the counties listed in the 1965 act which could not have qualified as distressed counties under the definition of the Area Redevelopment Act. How many of these counties are still nondistressed counties, or how many others have fallen out of the distressed into nondistressed category, I do not know. But it seems to me wrong and discriminatory for this legislation to lay a foundation for preferential treatment of nondistressed counties—especially when there are other counties throughout the Nation which are distressed and are not eligible under this legislation for preferential assistance.

I pointed out in 1965 that at the time there were 17 of the 99 counties in my own State of Iowa with a higher rate of unemployment and a lower level of family income than in the aforesaid 67 counties. I also pointed out then that two of the States with counties included in the region—namely, Ohio and Pennsylvania, had a larger per capita disposable personal income compared with my State and many others, leading one to conclude that the people in other States should not be called upon to pay taxes to finance preferential Federal assistance to counties in Ohio and Pennsylvania.

For these reasons, I regretfully cannot support this bill.

Mr. BYRD of West Virginia. Mr. President, I commend my colleague on his effective work, as chairman of the Committee on Public Works, in conducting hearings on, and reporting to the floor, S. 602 to revise and extend the Appalachian Regional Development Act of 1965.

I believe that the present law, which has been in effect over the past 2 years has proved to be beneficial to the State of West Virginia and other affected

States. I enthusiastically supported the present law when it was before the Senate in 1965, and I support the measure before us which would extend the act of 1965.

I wish, at this moment, to express my gratitude to my colleague, for his personal dedication to this legislation, and for his untiring effort in promoting the legislation before us. I admire the leadership he has shown, and I hope that the Senate will, very shortly, give its overwhelming approval to this bill, thus permitting Appalachia to continue with the progressive programs which have brought hope to the people of that region.

I again commend my colleague, the floor manager and chief sponsor of the bill.

Mr. RANDOLPH. Your commendation is extremely gratifying. Your assistance and support have given me great encouragement and I thank you.

Mr. SPONG. Mr. President, on yesterday the distinguished chairman of the Senate Committee on Public Works, the senior Senator from West Virginia [Mr. RANDOLPH] presented a succinct review of S. 602, to revise and extend the Appalachian Regional Development Act of 1965.

As a junior member of the Senate Committee on Public Works, I should like to thank the chairman of the committee for the diligence and patience he has demonstrated in the committee hearings on this bill, particularly his patience with the junior Senator from Virginia. Moreover, I should like to observe that during these hearings he has shown a deep understanding of the people within the Appalachian region and their problems. On behalf of the people of Virginia, particularly those in southwest Virginia, I should like to express my gratitude to him.

This legislation to revise and extend the Appalachian Development Act comes to the floor with the endorsement of the Governor of every State in the Appalachian region. The Governor of Virginia, the Honorable Mills E. Godwin, Jr., filed a statement during the hearings, endorsing continuation of the Appalachian program. The enthusiasm of the Governors results in large measure, I believe, from the fact that their States have experienced equal partnership in execution of the various programs. In fact, projects must be initiated by States, and each may elect to participate in accordance with its particular needs.

As of the first of this year, Virginia had approximately 104 miles of highways under construction in the Appalachian regional development highway system. Accelerating the completion of two routes which link Virginia to its neighboring States will contribute immeasurably to the economic development of southwest Virginia, as well as remove much of the physical isolation this area of Virginia has always experienced.

Virginia is striving to improve its educational systems throughout the Commonwealth. Under the Appalachian Act there has been made available vocational education facilities in southwest Virginia. It is hoped that in the near future educational television, presently operative in every other section of Virginia, will be available to the school systems in southwest Virginia where it is much needed.

Mr. President, the Appalachian program has proved itself. It has encouraged local and regional planning. It has required complete State approval, and has developed local, regional, State, and Federal cooperation. States have established their own priorities—a fact which in my judgment is highly desirable. I support the bill before us as practical in concept and in many respects a model for State and Federal cooperation.

Mr. RANDOLPH. The Senator from Virginia, a member of the Committee on Public Works, has been most diligent in his efforts on behalf of this legislation. It is a pleasure to work with him.

Mr. President, before bringing this measure to a final vote I wish to once again acknowledge my gratitude to all the members of the Committee on Public Works for the cooperative spirit with which they have approached the problems of regional economic development.

I wish also to express my appreciation to the highly capable staff of the committee and its director, Dick Roga, and especially to Barry Meyer, who has recently joined the staff and who has worked long and effectively in preparing this legislation for consideration by the committee and the Senate.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment, in the nature of a substitute, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WILLIAMS of Delaware (when his name was called). On this vote I have a pair with the Senator from Pennsylvania [Mr. SCOTT]. If he were present and voting, he would vote "aye"; if I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. LONG of Louisiana. I announce that the Senator from North Dakota [Mr. BURDICK], the Senator from Alaska [Mr. GRUENING], the Senator from Washington [Mr. MAGNUSON], and the Senator from Oregon [Mr. MORSE] are absent on official business.

I also announce that the Senator from Indiana [Mr. HARTKE], the Senator from Ohio [Mr. LAUSCHE], the Senator from Florida [Mr. SMATHERS], the Senator from Georgia [Mr. TALMADGE], and the Senator from Ohio [Mr. YOUNG] are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], the Senator from Ohio [Mr. LAUSCHE], the Senator from Washington [Mr. MAGNUSON], the Senator from Florida [Mr. SMATHERS], and the Senator from Ohio [Mr. YOUNG] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Delaware [Mr. BOGGS], the Senator from Massachusetts [Mr. BROOKE], the Senator from Kansas [Mr. CARLSON], the Senator from Illinois [Mr. DIRKSEN], the Senator from Colorado [Mr. DOMINICK], the Senator from Oregon [Mr. HATFIELD], the Senator from California [Mr. MURPHY], the Senator from Kansas [Mr. PEARSON], and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

If present and voting, the Senator from Massachusetts [Mr. BROOKE], the Senator from Illinois [Mr. DIRKSEN], the Senator from California [Mr. MURPHY], and the Senator from Kansas [Mr. PEARSON] would each vote "yea."

The pair of the Senator from Pennsylvania [Mr. SCOTT] has been previously announced.

On this vote, the Senator from Delaware [Mr. BOGGS] is paired with the Senator from Colorado [Mr. DOMINICK]. If present and voting, the Senator from Delaware would vote "yea" and the Senator from Colorado would vote "nay."

The result was announced—yeas 68, nays 13, as follows:

[No. 95 Leg.]

YEAS—68

Aiken	Hart	Monroney
Anderson	Hayden	Montoya
Baker	Hill	Morton
Bartlett	Holland	Moss
Bayh	Hollings	Muskie
Bible	Inouye	Nelson
Brewster	Jackson	Pastore
Byrd, Va.	Javits	Pell
Byrd, W. Va.	Jordan, N.C.	Percy
Cannon	Jordan, Idaho	Prouty
Case	Kennedy, Mass.	Randolph
Church	Kennedy, N.Y.	Ribicoff
Clark	Kuchel	Russell
Cooper	Long, Mo.	Smith
Dodd	Long, La.	Sparkman
Eastland	Mansfield	Spong
Ervin	McCarthy	Stennis
Fong	McClellan	Symington
Fulbright	McGee	Tydings
Gore	McGovern	Williams, N.J.
Griffin	McIntyre	Yarborough
Hansen	Metcalf	Young, N. Dak.
Harris	Mondale	

NAYS—13

Allott	Fannin	Proxmire
Bennett	Hickenlooper	Thurmond
Cotton	Hruska	Tower
Curtis	Miller	
Ellender	Mundt	

NOT VOTING—19

Boggs	Hartke	Scott
Brooke	Hatfield	Smathers
Burdick	Lausche	Talmadge
Carlson	Magnuson	Williams, Del.
Dirksen	Morse	Young, Ohio
Dominick	Murphy	
Gruening	Pearson	

So the bill (S. 602) was passed, as follows:

S. 602

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1967

SEC. 101. This title may be cited as the "Appalachian Regional Development Act Amendments of 1967".

SEC. 102. Section 102 of the Appalachian Regional Development Act of 1965 (hereinafter in this title referred to as "the Act") is amended (1) by inserting "and" at the end of clause (7); (2) by striking out the semicolon and the word "and" at the end of clause (8) and inserting in lieu thereof a period; and (3) by striking out clause (9).

SEC. 103. Section 105 of the Act is amended to read as follows:

"ADMINISTRATIVE EXPENSES OF THE COMMISSION

"SEC. 105. (a) For the period ending on June 30, 1967, the administrative expenses of the Commission shall be paid by the Federal Government. Thereafter, such expenses shall be paid 50 per centum by the Federal Government and 50 per centum by the States in the region, except that the expenses of the Federal Cochairman, his alternate, and his staff shall be paid solely by the Federal Government. The share to be paid by each State shall be determined by the Commission. The Federal Cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

"(b) To carry out this section, there is hereby authorized to be appropriated to the Commission, to be available until expended, not to exceed $1,700,000 for the two-fiscal-year period ending June 30, 1969. Not to exceed $400,000 of such authorization shall be available for the expenses of the Federal Cochairman, his alternate, and his staff. Unexpended balances of appropriations under the authorization in this section prior to amendment by the Appalachian Regional Development Act Amendments of 1967 shall remain available for the purposes of this section, as amended, until expended."

SEC. 104. Clause (7) of section 106 of the Act, entitled

"ADMINISTRATIVE POWERS OF THE COMMISSION",

is amended to read as follows:

"(7) enter into and perform such contracts, leases (including, notwithstanding any other provision of law, the lease of office space for any term expiring no later than June 30, 1971), cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States (which is hereby so authorized to the extent not otherwise prohibited by law) or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation."

SEC. 105. Section 201 of the Act is amended to read as follows:

"APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

"SEC. 201. (a) In order to provide a highway system which, in conjunction with the Interstate System and other Federal-aid highways in the Appalachian region, will open up an area or areas with a developmental potential where commerce and communication have been inhibited by lack of adequate access, the Secretary of Transportation (hereafter in this section referred to as the 'Secretary') is authorized to assist in the construction of an Appalachian development highway system and local access roads serving the Appalachian region. The provisions of title 23, United States Code, that are applicable to the construction and maintenance of Federal-aid primary and secondary highways, and which the Secretary determines are not inconsistent with this Act, shall apply, respectively, to the development highway system and the local access roads. Construction on the development highway system shall not exceed two thousand seven hundred miles. Construction of local access roads shall not exceed two thousand miles that will serve specific recreational, residential, educational, commercial, industrial, or other like facilities or will facilitate a school consolidation program.

"(b) The Commission shall transmit to the Secretary its designation of (1) the general corridor location and termini of the development highways, (2) local access roads to be constructed, (3) priorities for the construction of segments of the development highways, and (4) other criteria for the program authorized by this section. Before any State member participates in or votes on such designations, he shall have obtained the recommendations of the State highway department of the State which he represents.

"(c) In no event shall the Secretary assist in any construction (including right-of-way acquisition) which would require for its completion the expenditure of Federal funds (other than funds available under title 23, United States Code) in excess of the appropriations authorization in subsection (g). On its completion each development highway not already on the Federal-aid primary system shall be added to such system and each development highway and local access road shall be required to be maintained by the State as provided for Federal-aid highways in title 23, United States Code.

"(d) In the construction of highways and roads authorized under this section, the States may give special preference to the use of materials and products indigenous to the Appalachian region.

"(e) For the purposes of research and development in the use of coal and coal products in highway construction and maintenance, the Secretary shall require each participating State, to the maximum extent possible, to use coal derivatives in the construction of not to exceed 10 per centum of the roads authtorized under this Act.

"(f) Federal assistance to any construction project under this section shall not exceed 50 per centum of the costs of such project, unless the Commission determines that assistance in excess of such percentage is required in furtherance of the purposes of this Act, but in no event shall such Federal assistance exceed 70 per centum of such costs.

"(g) To carry out this section, there is hereby authorized to be appropriated to the President, to be available until expended, $715,000,000 for the four-fiscal year period ending June 30, 1971. Unexpended balances of appropriations to the Secretary of Commerce under the authorization in this section prior to amendment by the Appalachian Regional Development Act Amendments of 1967 shall be treated as having been appropriated to the President for the purposes of this section, as amended, and shall remain available until expended.

"(h) (1) When a participating State proceeds to construct a segment of a development highway without the aid of Federal funds, in accordance with all procedures and requirements applicable to the construction of segments of Appalachian development highways with such funds, except insofar as such procedures and requirements limit a State to the construction of projects for which Federal funds have previously been appropriated, the Secretary, upon application by the State and after approval of the project by the Commission under section 223(2) of this Act, shall pay to the State the Federal share not to exceed 70 per centum of the costs of construction of such segment, from any sums appropriated to carry out this section.

"(2) This subsection shall not be construed as a commitment or obligation on the part of the United States to provide funds for segments of development highways constructed under this subsection, and shall not increase the limitation on construction in subsection (c)."

SEC. 106. Section 202 of the Act is amended to read as follows:

"DEMONSTRATION HEALTH PROJECTS

"SEC. 202. (a) In order to demonstrate the value of adequate health facilities and services to the economic development of the region, the Secretary of Health, Education, and Welfare is authorized to make grants for the planning, construction, equipment, and operation of multicounty demonstration health projects, including hospitals, regional health diagnostic and treatment centers, and other facilities and services necessary to health. Grants for such construction (including the acquisition of facilities and initial equipment) shall be made in accordance with the applicable provisions of title VI of the Public Health Service Act (42 U.S.C. 291–291o). The Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), and other laws authorizing grants for the construction of health-related facilities, without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

"(b) No grant for the construction or equipment of any component of a demonstration health project shall exceed 80 per centum of such costs. The Federal contribution may be provided entirely from funds authorized under this section or in combination with funds provided under other Federal grant-in-aid programs for the construction or equipment of health-related facilities. Notwithstanding any provision of law limiting the Federal share in such other programs, funds authorized under this section may be used to increase Federal grants for component facilities of a demonstration health project to a maximum of 80 per centum of the costs of such facilities.

"(c) Grants under this section for operation (including initial operating funds and operating deficits comprising among other items the costs of attracting, training, and retaining qualified personnel) of a demonstration health project, whether or not constructed with funds authorized by this section, may be made for up to 100 per centum of the costs thereof for the two-year period beginning, for each component facility or service assisted under any such operating grant, on the first day that such facility or service is in operation as a part of the project. For the next three years of operations such grants shall not exceed 50 per centum of such costs. No grants for operation of a demonstration health project shall be made after five years following the commencement of the initial grant for operation of the project. Notwithstanding section 104 of the Public Works and Economic Development Act of 1965 (79 Stat. 554), a health-related facility constructed under title I of that Act may be a component of a demonstration health project eligible for operating grant assistance under this section.

"(d) The Secretary of Health, Education, and Welfare is authorized to provide funds to the Commission for the support of its Health Advisory Committee and to make grants for expenses of planning necessary for the development and operation of demonstration health projects for the region. The amount of any such grant shall not exceed 75 per centum of such expenses.

"(e) Not to exceed $70,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 107. Subsection (i) of section 203 of the Act, entitled "LAND STABILIZATION, CONSERVATION, AND EROSION CONTROL", is amended to read as follows:

"(i) Not to exceed $19,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 108. Section 204 of the Act, entitled "TIMBER DEVELOPMENT AND RESEARCH", is amended by striking out subsection (b) and inserting in lieu thereof the following new subsections (b) and (c):

"(b) The Secretary of Agriculture is authorized to provide technical assistance, make grants, enter into contracts, or otherwise provide funds to forest products research institutions in the region and other appropriate public and private organizations, for Appalachian hardwood products research, including investigations, studies, and demonstrations, which will further the purposes of this Act. Funds shall be provided only for programs and projects which will contribute significantly to the development of (1) Appalachian hardwood technology, (2) new or improved uses of Appalachian hardwood resources, (3) new or improved processes or methods for producing hardwood products, or (4) new or improved markets for such products. Funds under this section shall be provided solely out of sums specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the allocation or distribution of funds pursuant to any other provision of law.

"(c) Not to exceed $4,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out the purposes of subsection (b) of this section."

SEC. 109. (a) Clause (1) of subsection (a) of section 205 of the Act, entitled "MINING AREA RESTORATION", is amended to read as follows:

"(1) make financial contributions to States in the region to seal and fill voids in abandoned coal mines and abandoned oil and gas wells, and to reclaim and rehabilitate lands affected by the strip and surface mining and processing of coal and other minerals, including lands affected by waste piles, in accordance with provisions of the Act of July 15, 1955 (30 U.S.C. 571 et seq.), to the extent applicable, without regard to section 2(b) thereof (30 U.S.C. 572(b)) or to any provisions therein limiting assistance to anthracite coal formation, or to the Commonwealth of Pennsylvania. Grants under this paragraph shall be made wholly out of funds specifically appropriated for the purposes of carrying out this Act."

(b) Subsection (b) of such section is amended by striking out "and 1967" and inserting in lieu thereof ", 1967, 1968, and 1969", and by inserting after "restoration projects" a comma and the following: "including reasonable planning, engineering and land acquisition costs,".

(c) The first sentence of subsection (d) of such section is amended to read as follows: "Not to exceed $39,150,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 110. Subsection (g) of section 206 of the Act, entitled "WATER RESOURCE SURVEY", is amended to read as follows:

"(g) Not to exceed $2,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 111. Part A of title II of the Act is amended by inserting at the end thereof a new section as follows:

"ASSISTANCE FOR PLANNING AND OTHER PRELIMINARY EXPENSES OF PROPOSED HOUSING PROJECTS UNDER SECTION 221 OF THE NATIONAL HOUSING ACT

"SEC. 207. (a) In order to encourage and facilitate the construction or rehabilitation of housing to meet the needs of low-and moderate-income families and individuals, the Secretary of Housing and Urban Development (hereafter in this section referred to as the 'Secretary') is authorized to make grants and loans from the Appalachian Housing Fund established by this section, under such terms and conditions as he may prescribe, to nonprofit, limited dividend, or cooperative organizations, or to public bodies, for expenses of planning and of obtaining an insured mortgage for a housing construction or rehabilitation project, under section 221 of the National Housing Act (hereafter in this section referred to as 'section 221'), in any area of the Appalachian region determined by the Commision to have significant potential for future growth.

"(b) No grant under this section shall exceed 80 percentum of those administrative expenses, incident to planning a project and obtaining an insured mortgage under section 221, which the Secretary considers not to be recoverable from the proceeds of a mortgage insured under such section: *Provided*, That no grant shall be made to an organization established for profit.

"(c) No loan under this section shall exceed 80 per centum of the cost of planning a project and obtaining an insured mortgage under section 221, including, but not limited to, preliminary surveys and analyses of market needs, preliminary site engineering and architectural fees, site options, Federal Housing Administration and Federal National Mortgage Association fees, and construction loan fees and discounts. Loans may be made without interest, or at any market or below market interest rate authorized for a mortgage insured under section 221: *Provided*, That any loan made to an organization established for profit shall bear interest at the prevailing market rate authorized for a mortgage insured under such section. The Secretary may, except in the case of a loan to an organization established for profit, waive the repayment of all or any part of a loan made under this section, including interest, which he finds the borrower is unable to recover from the proceeds of a mortgage insured under section 221.

"(d) All funds allocated to the Secretary for the purposes of this section shall be deposited in a fund which shall be known as the Appalachian Housing Fund and shall be used as a revolving fund by the Secretary for carrying out such purposes. General expenses of administration of this section may be charged to the fund. Moneys in the fund not needed for current operation may be invested in bonds or other obligations guaranteed as to principal and interest by the United States.

"(e) Not to exceed $5,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 112. (a) Subsection (a) of section 211 of the Act, entitled "VOCATIONAL EDUCATION FACILITIES", is amended by inserting before the word "needed" in the first sentence, the following: "and for the equipment of such facilities and other school facilities".

(b) Subsection (b) of section 211 of the Act is amended to read as follows:

"(b) Not to exceed $18,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 113. Subsection (b) of section 212 of the Act, entitled "SEWAGE TREATMENT WORKS", is amended to read as follows:

"(b) Not to exceed $6,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 114. (a) Section 701(a) of the Housing Act of 1954 (40 U.S.C. 461(a)) is amended by striking out "and" at the end of clause (8) and all of clause (9) and inserting in lieu thereof the following:

"(9) the Appalachian Regional Commission, for comprehensive planning for the Appalachian region as defined by section 403 of the Appalachian Regional Development Act of 1965; and

"(10) local development districts, certified under section 301 of the Appalachian Regional Development Act of 1965, for comprehensive planning for their entire areas, or for metropolitan planning, urban planning, county planning, or small municipality planning within such areas in the Appalachian region, and for planning for Appalachian regional programs."

(b) The proviso of the first sentence of section 701(b) of the Housing Act of 1954 is amended by inserting after "States" the words "and local development districts".

SEC. 115. Section 214 of the Act is amended to read as follows:

"SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

"SEC. 214. (a) In order to enable the people, States, and local communities of the region, including local development districts, to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the President is authorized to provide funds to the Federal Cochairman to be used for the sole purpose of increasing the Federal contribution to projects under Federal grant-in-aid programs, as hereafter defined, above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. Funds shall be so provided for Federal grant-in-aid programs for which funds are available under the Acts authorizing such programs and shall be available without regard to any appropriation authorization ceilings in such Acts.

"(b) The Federal portion of such costs shall not be increased in excess of the percentages established by the Commission, and shall in no event exceed 80 per centum thereof.

"(c) The term 'Federal grant-in-aid programs' as used in this section means those Federal grant-in-aid programs authorized by this Act for the construction or equipment of facilities, and all other existing or future Federal grant-in-aid programs authorized by Acts other than this Act for the acquisition of land or the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958. The term shall not include (A) the program for the construction of the development highway system authorized by section 201 of this Act or any other program relating to highway or road construction, or (B) any other program for which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act.

"(d) Not to exceed $97,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 116. Part B of title II of the Act is amended by inserting at the end thereof a new section as follows:

"CULTURAL PROGRAMS

"SEC. 215. (a) In order to encourage the development of the cultural resources of the region, the Chairman of the National Endowment for the Arts is authorized to make grants to assist the member States of the Commission (1) in supporting existing programs and projects (including productions) in the region which meet the standards enumerated in section 5(c) of the National Foundation on the Arts and the Humanities

Act of 1965 (20 U.S.C. 954; 79 Stat. 846); and (2) in developing programs and projects in the arts in such a manner as will serve all the people of the region. Such grants shall be made in accordance with the applicable provisions of section 5 of that Act, for programs and projects which are compatible with State plans approved pursuant to subsection (h) thereof, without regard to any provisions therein relating to appropriation authorizaiton ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

"(b) No grant shall be made to a State for a workshop production (other than a workshop conducted by a school, college, or university) for which a direct or indirect admission charge is asked if the proceeds, after deducting reasonable costs, are used for purposes other than assisting the recipient to develop high standards of artistic excellence or encourage greater appreciation of the arts and humanities by the people of the region.

"(c) Not to exceed $500,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 117. (a) The first sentence of section 221 of the Act, entitled "MAINTENANCE OF EFFORT", is amended by striking out "exclusive of Federal funds," and inserting in lieu thereof the following: "exclusive of expenditures for participation in the National System of Interstate and Defense Highways, and exclusive of local funds and Federal funds,".

(b) The second sentence of such section is amended by inserting after "Highways" the following: "and expenditures of local funds and Federal funds".

SEC. 118. Section 223 of the Act is amended to read as follows:

"PROGRAM IMPLEMENTATION

"SEC. 223. No program or project authorized under any section of this title shall be implemented until (1) applications and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this Act, and (2) the Commission has approved such program or project and has determined that it meets the applicable criteria under section 224 and will contribute to the development of the region, which determination shall be controlling."

SEC. 119. (a) Subsection (a) of section 224 of the Act, entitled "PROGRAM DEVELOPMENT CRITERIA", is amended (1) by striking out "In developing recommendations on the" and inserting in lieu thereof: "In considering"; and (2) by striking out "within those recommendations".

(b) Subsection (b) of such section is amended by striking out clause (1) and inserting in lieu thereof the following: "(1) to assist establishments relocating from one area to another;".

SEC. 120. Section 302 of the Act, entitled "GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DEVELOPMENT DISTRICTS AND FOR RESEARCH AND DEMONSTRATION PROJECTS", is amended by (1) striking out subsections (a) through (c); (2) redesignating subsection (d) as subsection (e); and (3) inserting the following new subsections (a) through (d):

"(a) The President is authorized—

"(1) to make grants to the Commission for administrative expenses, including technical services, of local development districts, but (A) the amount of any such grant shall not exceed 75 per centum of such expenses, (B) no grants for administrative expenses shall be made for a local development district for a period in excess of three years beginning on the date the initial grant is made for such development district, and (C) the local development district contributions for administrative expenses may be in cash or in kind, fairly evaluated, including but not limited to space, equipment, and services; and

"(2) to make grants to the Commission for investigation, research, studies, technical assistance, and demonstration projects, and for training programs, but not for construction purposes, which will further the purposes of this Act.

"(b) The Commission is authorized to make a survey and study of acid pollution in the region resulting from mining activities and the effects of such pollution, in full cooperation with the Secretary of the Interior and other appropriate Federal, State, and local departments and agencies, with the objective of developing a comprehensive action program for the appropriate control, reduction, or elimination of such pollution in the region or the effects of such pollution. The Commission shall submit to the President a report, including specific recommendations for such program and for the policies under which it should be conducted, and the President shall submit the report to the Congress, together with his recommendations, not later than March 31, 1969. The study shall, among other matters—

"(1) Identify sources of acid mine pollution in the region and their type, area, ownership, and other characteristics; the relative contribution of each source; and the impact of each source on water quality in the streams affected.

"(2) Identify present and potential water-using and other activities which are affected by acid mine pollution in the region, or originating in the region, and the economic and social costs and effects attributable to such pollution.

"(3) Identify known methods and costs for the control and abatement of acid mine pollution.

"(4) Estimate economic and social benefits, public and private, that are likely to result from reducing to various levels acid mine pollution in the streams of the region and identify the types of beneficiaries and the relative distribution of the benefits to such beneficiaries.

"(5) Consider the appropriate roles of Federal, State, and private interests in programs for the control, reduction, or elimination of acid mine pollution in the region and the relative costs which each should bear, including specifically (A) the extent, if any, to which private interests can bear the cost of such programs within the economics of mining activity, (B) the effectiveness of past action by Federal, State, and local units of government in remedying or controlling the adverse effects of acid mine pollution, (C) relationships which might be established among Federal, State, and local units of government, and with private interests, for implementing and funding such programs, and (D) the need for appropriate Federal and State legislation, including adequate enforcement provisions, for such programs.

"(6) Formulate a program for the appropriate control, reduction, or elimination of acid mine pollution in the region, including the identification of specific objectives and costs, with due consideration to: (A) the developmental effects of the program, (B) the economic benefits of the program in relation to costs, (C) the social effects of the program, (D) the avoidance of unwarranted financial gain to private interests, and (E) the types and sources of aid required to accomplish the program.

"(c) The Commission shall, as required by the President, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the President. The records of the Commission shall be available for audit with respect to such grants by the President and the Comptroller General or their duly authorized representatives.

"(d) Not to exceed $13,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section. Not to exceed $3,000,000 of such authorization shall be available for the purposes of subsection (b)."

SEC. 121. Section 303 of the Act is amended to read as follows:

"PROJECT APPROVAL

"SEC. 303. An application for a grant or for any other assistance for a program or project under this Act shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under the Act shall be approved for assistance."

"SEC. 122. Section 401 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 401. (a) In addition to the appropriations authorized in section 201 for the Appalachian development highway system and local access roads, there is hereby authorized to be appropriated to the President, to be available until expended, not to exceed $273,650,000 for the two-fiscal-year period ending June 30, 1969, to carry out this Act.

"(b) Unexpended balances of appropriations under the authorization in this section prior to amendment by the Appalachian Regional Development Act Amendments of 1967 shall be treated as having been appropriated to the President for the purposes of this Act as amended, and shall remain available until expended: *Provided*, That any unexpended balances of appropriations for the purposes of section 204 prior to such amendment shall remain available for such purposes."

SEC. 123. (a) Section 403 of the Act, entitled "DEFINITION OF APPALACHIAN REGION", is amended—

(1) by inserting in the clause relating to the counties in Alabama after "Jefferson," the following: "Lamar," and after "Morgan," the following: "Pickens,"; and

(2) by inserting after the clause relating to the counties in Maryland the following:

"In Mississippi, the counties of Alcorn, Chickasaw, Choctaw, Clay, Itawamba, Kemper, Lee, Lowndes, Monroe, Noxubee, Oktibbeha, Pontotoc, Prentiss, Tippah, Tishomingo, Union, Webster, and Winston;

"In New York, the counties of Allegany, Broome, Cattaraugus, Chautauqua, Chemung, Chenango, Cortland, Delaware, Otsego, Schoharie, Schuyler, Steuben, Tioga, and Tompkins;".

(b) Such section is further amended by striking out the colon following "West Virginia" and inserting in lieu thereof a period, and by striking out all of the remainder of such section and inserting in lieu thereof the following:

"No recommendation for any change in the definition of the Appalachian region as set forth in this section shall be proposed or considered by the Commission without a prior resolution by the Committee on Public Works of the Senate or of the House of Representatives directing a study of such change."

TITLE II—AMENDMENTS TO TITLE V OF THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

SEC. 201. Subsection (a) of Section 503 of the Public Works and Economic Development Act of 1965 is amended by striking the semicolon after clause (2), inserting a comma, and the following: "including the development of a comprehensive long-range economic plan approved by the Secretary;".

SEC. 202. Subsection (c) of section 505 of the Public Works and Economic Development Act of 1965 is amended by adding at the end thereof the following:

"Not to exceed $2,500,000 of the funds authorized to be appropriated by this subsection for each fiscal year shall be allocated by the Secretary to each regional commission to carry out the purposes of this section."

SEC. 203. Section 509 of the Public Works and Economic Development Act of 1965 is amended by redesignating such section as section 510 and by inserting after section 508 the following new section 509:

"SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

"SEC. 509. (a) In order to enable the States and other entities within economic development regions established under this Act to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the Secretary shall, once a comprehensive long-range economic plan established pursuant to clause (2) of section 503(a) is in effect, to provide funds pursuant to specific recommendations of each of the Federal Cochairmen of the regional commissions heretofore or hereafter established under this title, to be used for the sole purpose of increasing the Federal contribution to projects under such programs above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. No program or project authorized under this section shall be implemented until (1) applications and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this Act, and (2) the Regional Commission involved has approved such program or project and has determined that it meets the applicable criteria under section 504 and will contribute to the development of the region, which determination shall be controlling. Funds may be provided only for Federal grant-in-aid programs for which funds are available under the Act authorizing such programs. Funds so provided shall be available without regard to any appropriation authorization ceilings in such Act.

"(b) The Federal portion of such costs shall not be increased in excess of the percentages established by each commission, and shall in no event exceed 80 per centum thereof.

"(c) The term 'Federal grant-in-aid programs' as used in this section means all existing or future Federal grant-in-aid programs assisting in the acqusition of land or the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by title I of this Act and by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; and National Defense Education Act of 1958. The term shall not include any program in which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this section, and shall not be taken into account in the computation of allocations among the States made pursuant to any other provision of law.

"(d) There is hereby authorized to be appropriated to the Secretary for each of the regional commissions for the purposes of this section the sum of $5,000,000 for the period ending June 30, 1968, and the sum of $10,000,000 for the fiscal year ending June 30, 1969.

"(e) Any amounts appropriated under this section shall remain available until expended, and any amounts authorized for any fiscal year under this section but not appropriated may be appropriated for any succeeding fiscal year commencing prior to July 1, 1970.

"(f) An application for a grant under this section shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under this section shall be approved for assistance."

The title was amended, so as to read: "A bill to revise and extend the Appalachian Regional Development Act of 1965, and to amend title V of the Public Works and Economic Development Act of 1965."

Mr. RANDOLPH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD of West Virginia. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, the distinguished senior Senator from West Virginia [Mr. RANDOLPH] has once again displayed his resourceful and extraordinary ability as chairman of the Committee on Public Works. Passage of this bill which extends the already proven Appalachian regional development program is just one among many outstanding achievements obtained under his direction. The Senate's overwhelming approval of the measure is a lasting tribute to the fine manner in which he steered it from committee to final action today.

But this great success, and the expected achievements realized from the continued Appalachian development encompassed in the extension of the program are to be shared by the distinguished Senator from Kentucky [Mr. COOPER]. As the ranking minority member of the committee, he has consistently applied his own strong and highly talented efforts in assuring decisive support for this measure.

Other members of the committee are similarly to be congratulated for joining in a cooperative endeavor to assist passage. To name just a few, I refer to the Senator from Ohio [Mr. YOUNG], the Senator from Maine [Mr. MUSKIE,] the Senator from New Mexico [Mr. MONTOYA], the Senator from Tennessee [Mr. BAKER] and to the other members of the committee. Their strong support was vital to this success.

Additionally, the Senate is grateful for the cooperation offered by the Senators from New York [Mr. JAVITS and Mr. KENNEDY]. Their selfless efforts in assuring the expeditious and efficient disposition of the measure were truly outstanding. The same may be said of the junior Senator from Oklahoma [Mr. HARRIS].

Finally, I wish to thank the Senate as a whole for joining so decisively to dispose of this measure with swift action—preserving to all Members full opportunity to urge each viewpoint. We all may be proud of the achievement.

AUTHORIZATION FOR POSTMASTER GENERAL TO ENTER INTO LEASES OF REAL PROPERTY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid aside temporarily, and that the Senate turn to the consideration of Calendar No. 82 (S. 1039).

The PRESIDING OFFICER (Mr. HOLLINGS in the chair). The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1039) to extend the authority of the Postmaster General to enter into leases of real property for periods not exceeding 30 years, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Public Works, with amendments, on page 2, line 21, after the word "mail", to insert "and"; after line 21, to strike out:

(3) at least 90 per centum of the net interior floor space of the building is devoted to mail processing activities and related vehicle service (but excluding building services) and the remainder of such floor space is devoted to directly related supporting activities such as administrative and accounting offices, maintenance areas, and employees' welfare facilities; and

On page 3, at the beginning of line 4, to strike out "(4)" and insert "(3)"; and in line 6, after "(e)", to strike out "No lease agreement may be entered into under this section or section 2102 of this title for a special purpose post office building having gross floor space exceeding 20,000 square feet until thirty days after the date on which the Postmaster General transmits to the Committee on Public Works of the Senate and the Committee on Post Office and Civil Service of the House of Representattives a report which includes a full and complete statement concerning the need for such an agreement and the facts relating to the proposed transaction"; and insert "At least thirty days prior to entering into a lease agreement under this section or under section 2102 of this title for a special purpose post office building having gross floor space exceeding twenty thousand square feet, the Postmaster General shall transmit to the Committee on Public Works of the Senate and the Committee on Post Office and Civil Service of the House of Representatives a report which includes a full and complete statement concerning the need for such an agreement and the facts relating to the proposed transaction."; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the portion of section 2103(a), title 39, United States Code, which precedes paragraph (2) thereof is amended to read as follows:

"(a) Whenever the Postmaster General determines after consultation with the Administrator of General Services, that it is not desirable or feasible to construct a postal facility under the provisions of the Public Buildings Act of 1959, as amended (40 U.S.C. 601–615), the Postmaster General,

in addition to the authority conferred upon him by section 2102 of this title may—

"(1) negotiate and enter into lease agreements which do not bind the Government for periods exceeding thirty years, on such terms as the Postmaster General deems to be in the best interest of the United States, for the erection by the lessor of special-purpose post office buildings on lands sold, leased, or otherwise disposed of by the Postmaster General to or otherwise acquired by, the lessor;"

(b) Section 2103, title 39, United States Code, is amended by adding at the end thereof the following new subsections:

"(d) As used in this section the term 'special purpose post office building' means a building which has the following characteristics:

"(1) it is situated in a particular geographical location to make it convenient for processing mail;

"(2) it is designed in a particular configuration to make it convenient for processing mail; and

"(3) it is not readily usable or convertible to use as a general-purpose office building.

"(e) At least thirty days prior to entering into a lease agreement under this section or under section 2102 of this title for a special purpose post office building having gross floor space exceeding twenty thousand square feet, the Postmaster General shall transmit to the Committee on Public Works of the Senate and the Committee on Post Office and Civil Service of the House of Representatives a report which includes a full and complete statement concerning the need for such an agreement and the facts relating to the proposed transaction.

"(f) A statement in the lease agreement that the requirements of subsections (d) and (e) have been met, or that the lease agreement is not subject to these subsections, is conclusive."

(c) The text of section 2109, title 39, United States Code, is amended to read as follows: "Agreements may not be entered into under sections 2104 and 2105 of this title after July 22, 1964, and under section 2103 after June 30, 1972."

THE DODD CASE

Mr. COOPER. Mr. President, earlier today, the distinguished chairman of the Select Committee on Standards and Conduct [Mr. STENNIS] filed in the Senate the committee's report and recommendations on the investigation of Senator THOMAS J. DODD, of Connecticut. I agree wholly with the conclusions and recommendations of the committee, with respect to those subjects upon which the committee held public hearings.

I think it proper, however, to say that I hold certain reservations which I expressed and contended for in the committee. My reservations concern sections 4 and 5 of the conclusions of the committee.

The subject of conclusion IV is "Other Allegations Not Covered in Public Hearings." It is correct that the preliminary examination of the staff and committee of these allegations indicated that it was unlikely that conclusive findings of fact could be obtained. It is correct that some evidence would only be cumulative. It is correct that the charges are being referred to the Department of Justice.

Nevertheless, I believe that further hearings on these allegations which were serious charges—charges which, if proven, could involve violations of law—might have provided the Senate and the public with better information as to their substance and their truth or falsity. In addition, it would have enabled Senator DODD to respond to these allegations made against him.

My second reservation concerns the supplement, "Unauthorized Removal of Documents from Senator DODD's Office."

The committee has authority to deal with the acts of Senator DODD's employees. The consideration of their acts involves the public interest in the disclosure of wrongdoing, and also the problem of the custody of official papers of a Member's office and his personal papers—in the proper conduct of the office.

It was my position that the committee should make such recommendations as it determines necessary on this matter, separate from the report that has been filed, for the subject of the present inquiry is the allegations made against Senator DODD.

I informed the committee that I would make this statement on the floor of the Senate.

LEGISLATIVE PROGRAM

Mr. KUCHEL. Mr. President, while Senators are on the floor, may we hear from our able friend, the majority leader, what his plans are for the remainder of today and for tomorrow?

Mr. MANSFIELD. Mr. President, in response to the question raised by the distinguished acting minority leader, the pending measure may take a little while. We may or may not finish it today. I rather doubt it.

It is anticipated that following that, we will ask the Senate to allow us to take up Order No. 185—S. 1029—which will take several hours, anyway, I believe.

Then I would hope, if the distinguished senior Senator from Utah [Mr. BENNETT] gets a reply to a communication which he has addressed to the Department of the Interior, that some time next week we would take up the bill.

Mr. KUCHEL. Does the Senator anticipate the possibility of rollcall votes tomorrow? Does the Senator believe there is a possibility of that?

Mr. WILLIAMS of Delaware. I do not believe that it will be controversial from my angle.

Mr. MANSFIELD. There is that possibility, but so long as we are all going to be here to extend the same kind of courtesy to General Westmoreland in the other Chamber that he extended to so many of us in Vietnam when we visited there, we will come back after that meeting, have a morning hour, and resume consideration of the pending measure. All Members should be on notice that there is a possibility of votes.

Mr. KUCHEL. I thank the majority leader.

Mr. MANSFIELD. May I add that we already have consent to recess at 12:10 p.m. tomorrow, to depart in a body for the Hall of the House of Representatives.

GENERAL WESTMORELAND INVITED BEFORE COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, during debate Tuesday on the subject of American involvement in Vietnam, the senior Senator from Florida [Mr. HOLLAND] urged me, as chairman of the Committee on Foreign Relations, to invite General Westmoreland to appear before the committee. The Senator emphasized the great ability of the general to help us understand the nature of the war in Vietnam and the dangers implicit in any domestic criticism of our growing involvement there.

I wish to report to the Senate that I acted promptly on the suggestion of the Senator from Florida, and instructed the staff of the Committee on Foreign Relations to inquire as to whether General Westmoreland would be available to meet with the committee in executive session. The staff was informed by the Office of the Secretary of Defense, Mr. Jack Stempler, that General Westmoreland's schedule was such that he would not be able to testify before any congressional committees. So far as the Secretary's office knew, General Westmoreland had only two public speaking engagements—the first that of last Monday, when he spoke to the annual meeting of the Associated Press in New York; the second, a scheduled address to a joint meeting of the two Houses of Congress to be held on Friday of this week. I understand that the general has been invited to a White House luncheon which will be attended by a number of Members of Congress, as well as by Governors who have been able to accept the invitation. He was also able to attend an off-the-record session at the Council on Foreign Relations in New York last Monday after his address to the Associated Press.

In addition to these sessions, I am also informed that the general will meet with the President, the Joint Chiefs of Staff, and a few selected committee chairmen before he returns to Saigon this weekend.

I report the general's schedule to the Senate not in anger that he has not been able to testify before any congressional committees, but rather more with regret. I say "with regret" because I believe a democracy requires direct exchanges between our executive and military leaders and the elected representatives of the people. Members of Congress have much to learn from our administrators—civilian or military—who must struggle to promote national policy in the field.

By the same token, our administrators have much to learn from those of us who have direct responsibilities to constituencies spread across this Nation, constituencies that bear the burden in taxes and sacrifice their lives for our policies.

Unfortunately, the short stay of General Westmoreland in the United States and his heavy schedule have not permitted a normal exchange of views to take place. I do not view speeches and luncheons as reasonable opportunities for serious exchanges of views or as substitute for our long-tested techniques of committee hearings.

One of the tragic byproducts of the war in Vietnam is that healthy public dialog between responsible policy officials in the administration and between equally responsible congressional committees is breaking down. Too many Members of Congress are forced to rely on Sunday TV shows and prepared

S. 602

AN ACT

90TH CONGRESS
1ST SESSION

S. 602

IN THE HOUSE OF REPRESENTATIVES

APRIL 28, 1967

Referred to the Committee on Public Works

AN ACT

To revise and extend the Appalachian Regional Development Act of 1965, and to amend title V of the Public Works and Economic Development Act of 1965.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1967

SEC. 101. This title may be cited as the "Appalachian Regional Development Act Amendments of 1967".

SEC. 102. Section 102 of the Appalachian Regional Development Act of 1965 (hereinafter in this title referred to as "the Act") is amended (1) by inserting "and" at the end of clause (7); (2) by striking out the semicolon and the word

"and" at the end of clause (8) and inserting in lieu thereof a period; and (3) by striking out clause (9).

SEC. 103. Section 105 of the Act is amended to read as follows:

"ADMINISTRATIVE EXPENSES OF THE COMMISSION

"SEC. 105. (a) For the period ending on June 30, 1967, the administrative expenses of the Commission shall be paid by the Federal Government. Thereafter, such expenses shall be paid 50 per centum by the Federal Government and 50 per centum by the States in the region, except that the expenses of the Federal Cochairman, his alternate, and his staff shall be paid solely by the Federal Government. The share to be paid by each State shall be determined by the Commission. The Federal Cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

"(b) To carry out this section, there is hereby authorized to be appropriated to the Commission, to be available until expended, not to exceed $1,700,000 for the two-fiscal-

year period ending June 30, 1969. Not to exceed $400,000 of such authorization shall be available for the expenses of the Federal Cochairman, his alternate, and his staff. Unexpended balances of appropriations under the authorization in this section prior to amendment by the Appalachian Regional Development Act Amendments of 1967 shall remain available for the purposes of this section, as amended, until expended."

SEC. 104. Clause (7) of section 106 of the Act, entitled "ADMINISTRATIVE POWERS OF THE COMMISSION", is amended to read as follows:

"(7) enter into and perform such contracts, leases (including, notwithstanding any other provision of law, the lease of office space for any term expiring no later than June 30, 1971), cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States (which is hereby so authorized to the extent not otherwise prohibited by law) or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation."

SEC. 105. Section 201 of the Act is amended to read as follows:

"APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

"SEC. 201. (a) In order to provide a highway system which, in conjunction with the Interstate System and other Federal-aid highways in the Appalachian region, will open up an area or areas with a developmental potential where commerce and communication have been inhibited by lack of adequate access, the Secretary of Transportation (hereafter in this section referred to as the 'Secretary') is authorized to assist in the construction of an Appalachian development highway system and local access roads serving the Appalachian region. The provisions of title 23, United States Code, that are applicable to the construction and maintenance of Federal-aid primary and secondary highways, and which the Secretary determines are not inconsistent with this Act, shall apply, respectively, to the development highway system and the local access roads. Construction on the development highway system shall not exceed two thousand seven hundred miles. Construction of local access roads shall not exceed two thousand miles that will serve specific recreational, residential, educational, commercial, industrial, or other like facilities or will facilitate a school consolidation program.

"(b) The Commission shall transmit to the Secretary its designations of (1) the general corridor location and termini

of the development highways, (2) local access roads to be constructed, (3) priorities for the construction of segments of the development highways, and (4) other criteria for the program authorized by this section. Before any State member participates in or votes on such designations, he shall have obtained the recommendations of the State highway department of the State which he represents.

"(c) In no event shall the Secretary assist in any construction (including right-of-way acquisition) which would require for its completion the expenditure of Federal funds (other than funds available under title 23, United States Code) in excess of the appropriations authorization in subsection (g). On its completion each development highway not already on the Federal-aid primary system shall be added to such system and each development highway and local access road shall be required to be maintained by the State as provided for Federal-aid highways in title 23, United States Code.

"(d) In the construction of highways and roads authorized under this section, the States may give special preference to the use of materials and products indigenous to the Appalachian region.

"(e) For the purposes of research and development in the use of coal and coal products in highway construction and maintenance, the Secretary shall require each partici-

pating State, to the maximum extent possible, to use coal derivatives in the construction of not to exceed 10 per centum of the roads authorized under this Act.

"(f) Federal assistance to any construction project under this section shall not exceed 50 per centum of the costs of such project, unless the Commission determines that assistance in excess of such percentage is required in furtherance of the purposes of this Act, but in no event shall such Federal assistance exceed 70 per centum of such costs.

"(g) To carry out this section, there is hereby authorized to be appropriated to the President, to be available until expended, $715,000,000 for the four-fiscal-year period ending June 30, 1971. Unexpended balances of appropriations to the Secretary of Commerce under the authorization in this section prior to amendment by the Appalachian Regional Development Act Amendments of 1967 shall be treated as having been appropriated to the President for the purposes of this section, as amended, and shall remain available until expended.

"(h) (1) When a participating State proceeds to construct a segment of a development highway without the aid of Federal funds, in accordance with all procedures and requirements applicable to the construction of segments of Appalachian development highways with such funds, except insofar as such procedures and requirements limit a State to

the construction of projects for which Federal funds have previously been appropriated, the Secretary, upon application by the State and after approval of the project by the Commission under section 223 (2) of this Act, shall pay to the State the Federal share not to exceed 70 per centum of the costs of construction of such segment, from any sums appropriated to carry out this section.

"(2) This subsection shall not be construed as a commitment or obligation on the part of the United States to provide funds for segments of development highways constructed under this subsection, and shall not increase the limitation on construction in subsection (c)."

SEC. 106. Section 202 of the Act is amended to read as follows:

"DEMONSTRATION HEALTH PROJECTS

"SEC. 202. (a) In order to demonstrate the value of adequate health facilities and services to the economic development of the region, the Secretary of Health, Education, and Welfare is authorized to make grants for the planning, construction, equipment, and operation of multicounty demonstration health projects, including hospitals, regional health diagnostic and treatment centers, and other facilities and services necessary to health. Grants for such construction (including the acquisition of facilities and initial equipment) shall be made in accordance with the applicable provisions of

title VI of the Public Health Service Act (42 U.S.C. 291–291o), the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), and other laws authorizing grants for the construction of health-related facilities, without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

"(b) No grant for the construction or equipment of any component of a demonstration health project shall exceed 80 per centum of such costs. The Federal contribution may be provided entirely from funds authorized under this section or in combination with funds provided under other Federal grant-in-aid programs for the construction or equipment of health-related facilities. Notwithstanding any provision of law limiting the Federal share in such other programs, funds authorized under this section may be used to increase Federal grants for component facilities of a demonstration health project to a maximum of 80 per centum of the costs of such facilities.

"(c) Grants under this section for operation (including initial operating funds and operating deficits comprising

among other items the costs of attracting, training, and retaining qualified personnel) of a demonstration health project, whether or not constructed with funds authorized by this section, may be made for up to 100 per centum of the costs thereof for the two-year period beginning, for each component facility or service assisted under any such operating grant, on the first day that such facility or service is in operation as a part of the project. For the next three years of operations such grants shall not exceed 50 per centum of such costs. No grants for operation of a demonstration health project shall be made after five years following the commencement of the initial grant for operation of the project. Notwithstanding section 104 of the Public Works and Economic Development Act of 1965 (79 Stat. 554), a health-related facility constructed under title I of that Act may be a component of a demonstration health project eligible for operating grant assistance under this section.

"(d) The Secretary of Health, Education, and Welfare is authorized to provide funds to the Commission for the support of its Health Advisory Committee and to make grants for expenses of planning necessary for the development and operation of demonstration health projects for the region. The amount of any such grant shall not exceed 75 per centum of such expenses.

"(e) Not to exceed $70,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 107. Subsection (i) of section 203 of the Act, entitled "LAND STABILIZATION, CONSERVATION, AND EROSION CONTROL", is amended to read as follows:

"(i) Not to exceed $19,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 108. Section 204 of the Act, entitled "TIMBER DEVELOPMENT AND RESEARCH", is amended by striking out subsection (b) and inserting in lieu thereof the following new subsections (b) and (c):

"(b) The Secretary of Agriculture is authorized to provide technical assistance, make grants, enter into contracts, or otherwise provide funds to forest products research institutions in the region and other appropriate public and private organizations, for Appalachian hardwood products research, including investigations, studies, and demonstrations, which will further the purposes of this Act. Funds shall be provided only for programs and projects which will contribute significantly to the development of (1) Appalachian hardwood technology, (2) new or improved uses of Appalachian

hardwood resources, (3) new or improved processes or methods for producing hardwood products, or (4) new or improved markets for such products. Funds under this section shall be provided solely out of sums specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the allocation or distribution of funds pursuant to any other provision of law.

"(c) Not to exceed $4,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out the purposes of subsection (b) of this section."

SEC. 109. (a) Clause (1) of subsection (a) of section 205 of the Act, entitled "MINING AREA RESTORATION", is amended to read as follows:

"(1) make financial contributions to States in the region to seal and fill voids in abandoned coal mines and abandoned oil and gas wells, and to reclaim and rehabilitate lands affected by the strip and surface mining and processing of coal and other minerals, including lands affected by waste piles, in accordance with provisions of the Act of July 15, 1955 (30 U.S.C. 571 et seq.), to the extent applicable, without regard to section 2(b) thereof (30 U.S.C. 572(b)) or to any provisions therein limiting assistance to anthracite coal formation, or to the Commonwealth of Pennsylvania. Grants un-

der this paragraph shall be made wholly out of funds specifically appropriated for the purposes of carrying out this Act."

(b) Subsection (b) of such section is amended by striking out "and 1967" and inserting in lieu thereof ", 1967, 1968, and 1969", and by inserting after "restoration projects" a comma and the following: "including reasonable planning, engineering and land acquisition costs,".

(c) The first sentence of subsection (d) of such section is amended to read as follows: "Not to exceed $39,150,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 110. Subsection (g) of section 206 of the Act, entitled "WATER RESOURCE SURVEY", is amended to read as follows:

"(g) Not to exceed $2,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 111. Part A of title II of the Act is amended by inserting at the end thereof a new section as follows:

"ASSISTANCE FOR PLANNING AND OTHER PRELIMINARY EXPENSES OF PROPOSED HOUSING PROJECTS UNDER SECTION 221 OF THE NATIONAL HOUSING ACT

"SEC. 207. (a) In order to encourage and facilitate the construction or rehabilitation of housing to meet the needs of low- and moderate-income families and individuals, the Secretary of Housing and Urban Development (hereafter in this section referred to as the 'Secretary') is authorized to make grants and loans from the Appalachian Housing Fund established by this section, under such terms and conditions as he may prescribe, to nonprofit, limited dividend, or cooperative organizations, or to public bodies, for expenses of planning and of obtaining an insured mortgage for a housing construction or rehabilitation project, under section 221 of the National Housing Act (hereafter in this section referred to as 'section 221'), in any area of the Appalachian region determined by the Commission to have significant potential for future growth.

"(b) No grant under this section shall exceed 80 per centum of those administrative expenses, incident to planning a project and obtaining an insured mortgage under section 221, which the Secretary considers not to be recoverable from the proceeds of a mortgage insured under such section: *Provided,* That no grant shall be made to an organization established for profit.

"(c) No loan under this section shall exceed 80 per centum of the cost of planning a project and obtaining an insured mortgage under section 221, including, but not limited to, preliminary surveys and analyses of market needs, preliminary site engineering and architectural fees, site options, Federal Housing Administration and Federal National Mortgage Association fees, and construction loan fees and discounts. Loans may be made without interest, or at any market or below market interest rate authorized for a mortgage insured under section 221: *Provided,* That any loan made to an organization established for profit shall bear interest at the prevailing market rate authorized for a mortgage insured under such section. The Secretary may, except in the case of a loan to an organization established for profit, waive the repayment of all or any part of a loan made under this section, including interest, which he finds the borrower is unable to recover from the proceeds of a mortgage insured under section 221.

"(d) All funds allocated to the Secretary for the purposes of this section shall be deposited in a fund which shall be known as the Appalachian Housing Fund and shall be used as a revolving fund by the Secretary for carrying out such purposes. General expenses of administration of this section may be charged to the fund. Moneys in the fund not needed for current operation may be invested in bonds or other obligations guaranteed as to principal and interest by the United States.

"(e) Not to exceed $5,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 112. (a) Subsection (a) of section 211 of the Act, entitled "VOCATIONAL EDUCATION FACILITIES", is amended by inserting before the word "needed" in the first sentence, the following: "and for the equipment of such facilities and other school facilities".

(b) Subsection (b) of section 211 of the Act is amended to read as follows:

"(b) Not to exceed $18,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 113. Subsection (b) of section 212 of the Act, en-

titled "SEWAGE TREATMENT WORKS", is amended to read as follows:

"(b) Not to exceed $6,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 114. (a) Section 701 (a) of the Housing Act of 1954 (40 U.S.C. 461 (a)) is amended by striking out "and" at the end of clause (8) and all of clause (9) and inserting in lieu thereof the following:

"(9) the Appalachian Regional Commission, for comprehensive planning for the Appalachian region as defined by section 403 of the Appalachian Regional Development Act of 1965; and

"(10) local development districts, certified under section 301 of the Appalachian Regional Development Act of 1965, for comprehensive planning for their entire areas, or for metropolitan planning, urban planning, county planning, or small municipality planning within such areas in the Appalachian region, and for planning for Appalachian regional programs."

(b) The proviso of the first sentence of section 701 (b) of the Housing Act of 1954 is amended by inserting after "States" the words "and local development districts".

SEC. 115. Section 214 of the Act is amended to read as follows:

"SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

"SEC. 214. (a) In order to enable the people, States, and local communities of the region, including local development districts, to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the President is authorized to provide funds to the Federal Cochairman to be used for the sole purpose of increasing the Federal contribution to projects under Federal grant-in-aid programs, as hereafter defined, above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. Funds shall be so provided for Federal grant-in-aid programs for which funds are available under the Acts authorizing such programs and shall be available without regard to any appropriation authorization ceilings in such Acts.

"(b) The Federal portion of such costs shall not be increased in excess of the percentages established by the Commission, and shall in no event exceed 80 per centum thereof.

"(c) The term 'Federal grant-in-aid programs' as used

in this section means those Federal grant-in-aid programs authorized by this Act for the construction or equipment of facilities, and all other existing or future Federal grant-in-aid programs authorized by Acts other than this Act for the acquisition of land or the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act: Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958. The term shall not include (A) the program for the construction of the development highway system authorized by section 201 of this Act or any other program relating to highway or road construction, or (B) any other program for which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act.

"(d) Not to exceed $97,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 116. Part B of title II of the Act is amended by inserting at the end thereof a new section as follows:

"CULTURAL PROGRAMS

"SEC. 215. (a) In order to encourage the development of the cultural resources of the region, the Chairman of the National Endowment for the Arts is authorized to make grants to assist the member States of the Commission (1) in supporting existing programs and projects (including productions) in the region which meet the standards enumerated in section 5 (c) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954; 79 Stat. 846); and (2) in developing programs and projects in the arts in such a manner as will serve all the people of the region. Such grants shall be made in accordance with the applicable provisions of section 5 of that Act, for programs and projects which are compatible with State plans approved pursuant to subsection (h) thereof, without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

"(b) No grant shall be made to a State for a workshop

production (other than a workshop conducted by a school, college, or university) for which a direct or indirect admission charge is asked if the proceeds, after deducting reasonable costs, are used for purposes other than assisting the recipient to develop high standards of artistic excellence or encourage greater appreciation of the arts and humanities by the people of the region.

"(c) Not to exceed $500,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 117. (a) The first sentence of section 221 of the Act. entitled "MAINTENANCE OF EFFORT", is amended by striking out "exclusive of Federal funds," and inserting in lieu thereof the following: "exclusive of expenditures for participation in the National System of Interstate and Defense Highways, and exclusive of local funds and Federal funds,".

(b) The second sentence of such section is amended by inserting after "Highways" the following: "and expenditures of local funds and Federal funds".

SEC. 118. Section 223 of the Act is amended to read as follows:

"PROGRAM IMPLEMENTATION

"SEC. 223. No program or project authorized under any section of this title shall be implemented until (1) appli-

cations and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this Act, and (2) the Commission has approved such program or project and has determined that it meets the applicable criteria under section 224 and will contribute to the development of the region, which determination shall be controlling."

SEC. 119. (a) Subsection (a) of section 224 of the Act, entitled "PROGRAM DEVELOPMENT CRITERIA", is amended (1) by striking out "In developing recommendations on the" and inserting in lieu thereof: "In considering"; and (2) by striking out "within those recommendations".

(b) Subsection (b) of such section is amended by striking out clause (1) and inserting in lieu thereof the following: "(1) to assist establishments relocating from one area to another;".

SEC. 120. Section 302 of the Act, entitled "GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DEVELOPMENT DISTRICTS AND FOR RESEARCH AND DEMONSTRATION PROJECTS", is amended by (1) striking out subsections (a) through (c); (2) redesignating subsection (d) as subsection (e); and (3) inserting the following new subsections (a) through (d):

"(a) The President is authorized—

"(1) to make grants to the Commission for administrative expenses, including technical services, of local development districts, but (A) the amount of any such grant shall not exceed 75 per centum of such expenses, (B) no grants for administrative expenses shall be made for a local development district for a period in excess of three years beginning on the date the initial grant is made for such development district, and (C) the local development district contributions for administrative expenses may be in cash or in kind, fairly evaluated, including but not limited to space, equipment, and services; and

"(2) to make grants to the Commission for investigation, research, studies, technical assistance, and demonstration projects, and for training programs, but not for construction purposes, which will further the purposes of this Act.

"(b) The Commission is authorized to make a survey and study of acid pollution in the region resulting from mining activities and the effects of such pollution, in full cooperation with the Secretary of the Interior and other appropriate Federal, State, and local departments and agencies, with the objective of developing a comprehensive action program for the appropriate control, reduction, or elimination of such pollution in the region or the effects of such pollution. The Commission shall submit to the President a

report, including specific recommendations for such program and for the policies under which it should be conducted, and the President shall submit the report to the Congress, together with his recommendations, not later than March 31, 1969. The study shall, among other matters—

"(1) Identify sources of acid mine pollution in the region and their type, area, ownership, and other characteristics; the relative contribution of each source; and the impact of each source on water quality in the streams affected.

"(2) Identify present and potential water-using and other activities which are affected by acid mine pollution in the region, or originating in the region, and the economic and social costs and effects attributable to such pollution.

"(3) Identify known methods and costs for the control and abatement of acid mine pollution.

"(4) Estimate economic and social benefits, public and private, that are likely to result from reducing to various levels acid mine pollution in the streams of the region and identify the types of beneficiaries and the relative distribution of the benefits to such beneficiaries.

"(5) Consider the appropriate roles of Federal, State, and private interests in programs for the control, reduction, or elimination of acid mine pollution in the

region and the relative costs which each should bear, including specifically (A) the extent, if any, to which private interests can bear the cost of such programs within the economics of mining activity, (B) the effectiveness of past action by Federal, State, and local units of government in remedying or controlling the adverse effects of acid mine pollution, (C) relationships which might be established among Federal, State, and local units of government, and with private interests, for implementing and funding such programs, and (D) the need for appropriate Federal and State legislation, including adequate enforcement provisions, for such programs.

"(6) Formulate a program for the appropriate control, reduction, or elimination of acid mine pollution in the region, including the identification of specific objectives and costs, with due consideration to: (A) the developmental effects of the program, (B) the economic benefits of the program in relation to costs, (C) the social effects of the program, (D) the avoidance of unwarranted financial gain to private interests, and (E) the types and sources of aid required to accomplish the program.

"(c) The Commission shall, as required by the President, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the President. The records of the Commission shall be available for audit with respect to such grants by the President and the Comptroller General or their duly authorized representatives.

"(d) Not to exceed $13,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section. Not to exceed $3,000,000 of such authorization shall be available for the purposes of subsection (b)."

SEC. 121. Section 303 of the Act is amended to read as follows:

"PROJECT APPROVAL

"SEC. 303. An application for a grant or for any other assistance for a program or project under this Act shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under the Act shall be approved for assistance."

SEC. 122. Section 401 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 401. (a) In addition to the appropriations authorized in section 201 for the Appalachian development highway system and local access roads, there is hereby authorized to be appropriated to the President, to be available until expended, not to exceed $273,650,000 for the two-fiscal-year period ending June 30, 1969, to carry out this Act.

"(b) Unexpended balances of appropriations under the authorization in this section prior to amendment by the Appalachian Regional Development Act Amendments of 1967 shall be treated as having been appropriated to the President for the purposes of this Act as amended, and shall remain available until expended: *Provided*, That any unexpended balances of appropriations for the purposes of section 204 prior to such amendment shall remain available for such purposes."

SEC. 123. (a) Section 403 of the Act, entitled "DEFINITION OF APPALACHIAN REGION", is amended—

(1) by inserting in the clause relating to the counties in Alabama after "Jefferson," the following: "La-

mar," and after "Morgan," the following: "Pickens,"; and

(2) by inserting after the clause relating to the counties in Maryland the following:

"In Mississippi, the counties of Alcorn, Chickasaw, Choctaw, Clay, Itawamba, Kemper, Lee, Lowndes, Monroe, Noxubee, Oktibbeha, Pontotoc, Prentiss, Tippah, Tishomingo, Union, Webster, and Winston;

"In New York, the counties of Allegany, Broome, Cattaraugus, Chautauqua, Chemung, Chenango, Cortland, Delaware, Otsego, Schoharie, Schuyler, Steuben, Tioga, and Tompkins;".

(b) Such section is further amended by striking out the colon following "West Virginia" and inserting in lieu thereof a period, and by striking out all of the remainder of such section and inserting in lieu thereof the following:

"No recommendation for any change in the definition of the Appalachian region as set forth in this section shall be proposed or considered by the Commission without a prior resolution by the Committee on Public Works of the Senate

or of the House of Representatives, directing a study of such change."

TITLE II—AMENDMENTS TO TITLE V OF THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

SEC. 201. Subsection (a) of Section 503 of the Public Works and Economic Development Act of 1965 is amended by striking the semicolon after clause (2), inserting a comma, and the following: "including the development of a comprehensive long-range economic plan approved by the Secretary;".

SEC. 202. Subsection (c) of section 505 of the Public Works and Economic Development Act of 1965 is amended by adding at the end thereof the following:

"Not to exceed $2,500,000 of the funds authorized to be appropriated by this subsection for each fiscal year shall be allocated by the Secretary to each regional commission to carry out the purposes of this section."

SEC. 203. Section 509 of the Public Works and Economic Development Act of 1965 is amended by redesignating

such section as section 510 and by inserting after section 508 the following new section 509:

"SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

"SEC. 509. (a) In order to enable the States and other entities within economic development regions established under this Act to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the Secretary shall, once a comprehensive long-range economic plan established pursuant to clause (2) of section 503 (a) is in effect, to provide funds pursuant to specific recommendations of each of the Federal Cochairmen of the regional commissions heretofore or hereafter established under this title, to be used for the sole purpose of increasing the Federal contribution to projects under such programs above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. No program or project authorized under this section shall be implemented until (1) applications and plans relating to the program or

project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this Act, and (2) the Regional Commission involved has approved such program or project and has determined that it meets the applicable criteria under section 504 and will contribute to the development of the region, which determination shall be controlling. Funds may be provided only for Federal grant-in-aid programs for which funds are available under the Act authorizing such programs. Funds so provided shall be available without regard to any appropriation authorization ceilings in such Act.

"(b) The Federal portion of such costs shall not be increased in excess of the percentages established by each commission, and shall in no event exceed 80 per centum thereof.

"(c) The term 'Federal grant-in-aid programs' as used in this section means all existing or future Federal grant-in-aid programs assisting in the acquisition of land or the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by title I of this Act and by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Fed-

eral Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; and National Defense Education Act of 1958. The term shall not include any program in which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this section, and shall not be taken into account in the computation of allocations among the States made pursuant to any other provision of law.

"(d) There is hereby authorized to be appropriated to the Secretary for each of the regional commissions for the purposes of this section the sum of $5,000,000 for the period ending June 30, 1968, and the sum of $10,000,000 for the fiscal year ending June 30, 1969.

"(e) Any amounts appropriated under this section shall remain available until expended, and any amounts authorized for any fiscal year under this section but not appropriated may be appropriated for any succeeding fiscal year commencing prior to July 1, 1970.

"(f) An application for a grant under this section shall be made through the State member of the Commission representing such applicant, and such State member shall evalu-

ate the application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under this section shall be approved for assistance."

Passed the Senate April 27, 1967.

Attest: FRANCIS R. VALEO,

Secretary.

90TH CONGRESS
1ST SESSION

S. 602

AN ACT

To revise and extend the Appalachian Regional Development Act of 1965, and to amend title V of the Public Works and Economic Development Act of 1965.

APRIL 28, 1967
Referred to the Committee on Public Works

AN ACT

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued August 3, 1967
For actions of August 2, 1967
90th-1st; No. 120

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HIGHLIGHTS: See page 6

HOUSE

1. APPALACHIA. The Public Works Committee voted to report (but did not actually report) S. 602, amended, to revise and extend the Appalachia Regional Development Act of 1965. p. D673

2. WILDERNESS. The Interior and Insular Affairs Committee voted to report (but did not actually report) H. R. 5161, amended, to designate the San Rafael Wilderness, Los Padres National Forest, Calif. p. D673

3. FOREIGN AID. The Foreign Affairs Committee completed markup of H. R. 7099, the foreign aid authorization bill, and agreed to introduction of a clean bill. p. D673

Rep. Fulton, Pa., inserted several amendments to the foreign aid bill which were drafted at the request of the committee chairman. pp. H9823-5

4. FARM PROGRAM. Rep. Kleppe deplored the farm cost-price squeeze, said the Administration should do more for farmers, and criticized a USDA prediction that wheat prices will go down. pp. H9831-2

5. URBAN-FARM RELATIONS. Reps. Annunzio, Bingham, and Corman commended a recent tour of Ind. farms by urban residents. pp. H9864-5

6. WATERSHEDS. The Agriculture Committee issued a statement that it has approved two watershed projects which emphasize irrigation, but said this was an exception to its regular policy of favoring only the projects which emphasize flood prevention. p. H9790

7. SOCIAL SECURITY. The Ways and Means Committee voted to report (but did not actually report) H. R. 5710, to increase benefits under the Social Security Act (p. D673). Chairman Mills inserted a summary of the committee actions (pp. H9810-14).

8. INTEREST RATES. Rep. Patman said the origin of high interest rates can be traced to the Eisenhower administration. pp. H9817-8

9. FOREIGN TRADE. Rep. Hall spoke in favor of investigating the impact of East-West trade and "assistance to nations which support aggression." p. H9820

Rep. Findley discussed foreign trade under the topic, "Let us punish Poland and reward Rumania." pp. H9833-43

10. POVERTY. Rep. Quie defended his bill, H. R. 10682, to make various changes in the poverty program. pp. H9826-8

11. WATER POLLUTION. Rep. Conte commended General Electric for water-pollution control at its plants. p. H9830

12. BUDGET. Rep. Laird recommended the "economic impact budget" described in the Michigan Business Review as a tool for "determination of the impact Government has on the economy." pp. H9843-6

Rep. Ottinger criticized domestic spending such as military construction in view of the Vietnam military requirements. pp. H9846-7

13. TRANSPORTATION. Rep. Kornegay inserted an address by Secretary Boyd on plans of the Department of Transportation. pp. H9855-6

14. COMMITTEE EMPLOYEES. Received reports from various committees on the names and salaries of their staffs. pp. H9868-76

15. VOCATIONAL REHABILITATION. A subcommittee of the Education and Labor Committee approved for full committee action H. R. 8981, amended, to amend the Vocational Rehabilitation Act. p. D672

DIGEST of Congressional Proceedings

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UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
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HIGHLIGHTS: House committee reported Appalachia bill. Senate passed wild rivers bill.

SENATE

1. WILD RIVERS. Passed, 84-0, with amendment S. 119, to reserve certain public lands for a national wild rivers system. pp. S11120-30

2. PRICE SUPPORTS. Sen. Hansen urged a cut in "our current farm programs and to the funds--nearly $2 billion in 1966--paid directly to wheat and feed grain producers in the form of price supports and diversion payments." p. S11130

3. ECONOMY; TAXATION. Sen. Young, Ohio, recommended against with the President's tax proposal. p. S11092

4. FOREIGN AID. Sen. Long, Mo., discussed future world food needs and stated, "I am convinced that the key point around which our agricultural aid must be built is a sound and effective technical assistance program. To achieve this goal I believe there must be a step-up in the number of U. S. farm experts sent to help combat starvation in less developed countries." pp. S11100-1

5. TAX SHARING. Sen. Baker inserted several statements setting forth "specific recommendations concerning the relationship between the National Government and the cities," and urging a tax-sharing program. pp. S11101-3

6. EXPORT-IMPORT BANK. Began consideration on S. 1155, extending period within which the Export-Import Bank is authorized to exercise its function, to increase the bank's lending authority and its authority to issue, against fractional reserves, export credit insurance and guarantees. pp. S11133, S11163-78

7. APPROPRIATIONS. As reported (Aug. 4) H. R. 10738, the Department of Defense appropriation bill, 1968 provides for the inclusion of certain synthetic fabrics under the "buy-American" provision regarding food, clothing, cotton, wool, etc. The committee report also states, "In view of the fact that the price of milk received by our dairy farmers is considerably less than parity and that the Commodity Credit Corporation is again accumulating stocks of dairy products, the committee recommends that serious consideration be given by the Department of Defense to make dairy products available to all personnel in our Armed Forces."

HOUSE

8. APPALACHIA. The Public Works Committee reported with amendment S. 602, to revise and extend the Appalachian Regional Development Act of 1965 and to amend title V of the Public Works and Economic Development Act of 1965 (H. Rept. 548). p. H10172

9. RECLAMATION. The Rules Committee reported resolutions for the consideration of H. R. 43, to authorize the construction, operation, and maintenance of the San Felipe division, Central Valley project, Calif.; and H. R. 845, to authorize the construction, operation, and maintenance of the Nebraska mid-state division, Missouri River Basin project. p. H10172

10. STANDARD REFERENCE DATA. The Rules Committee reported a resolution for the consideration of H. R. 6279, to provide for the collection, compilation, critical evaluation, publication, and sale of standard reference data. p. H10172

11. APPROPRIATIONS. Agreed to the conference report on S. 1296, the NASA appropriation authorization bill which includes research on control of weather, forest fires, pollution, pests, etc. This bill will now be sent to the President. pp. H10054-60

12. RECREATION. A subcommittee of the Interior and Insular Affairs Committee approved for full committee action H. R. 1340, to authorize Interior to accept donations of land for, and to construct, administer, and maintain an extension of the Blue Ridge Parkway in N. C. and Ga.; and H. R. 4739, amended, to

Union Calendar No. 208

90th Congress, 1st Session - - - - - House Report No. 548

APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1967, AND AMENDMENTS TO THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

REPORT

OF THE

COMMITTEE ON PUBLIC WORKS

UNITED STATES HOUSE OF REPRESENTATIVES

WITH ADDITIONAL, MINORITY, SUPPLEMENTAL, AND SEPARATE VIEWS

ON

S. 602

TO REVISE AND EXTEND THE APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965, AND TO AMEND TITLE V OF THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

AUGUST 8, 1967.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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U.S. GOVERNMENT PRINTING OFFICE

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Union Calendar No. 208

90TH CONGRESS, 1st Session | HOUSE OF REPRESENTATIVES | REPORT No. 548

APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1967, AND AMENDMENTS TO THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

AUGUST 8, 1967.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. FALLON, from the Committee on Public Works, submitted the following

REPORT

[To accompany S. 602]

The Committee on Public Works, to whom was referred the bill (S. 602) to revise and extend the Appalachian Regional Development Act of 1965, and to amend title V of the Public Works and Economic Development Act of 1965, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Strike out all after the enacting clause and insert a complete new text which is printed in the reported bill in italic type.

Amend the title so as to read:

> An Act to revise and extend the Appalachian Regional Development Act of 1965, and to amend the Public Works and Economic Development Act of 1965.

GENERAL STATEMENT

The Appalachian Regional Development Act of 1965 was experimental in several respects. The creation of a Federal-State commission to administer the program was an innovation in federalism. The enactment of a comprehensive development program tailored to the peculiar needs of the region was a departure from previous patterns of categorical Federal assistance. This committee has given careful scrutiny to the operation of the Appalachian program during its 2 years of existence.

In considering the Appalachian Regional Development Act of 1965, this committee was impressed with the thoughtful consideration and

analysis of the problems of the Appalachian region by the President's Appalachian Regional Commission during its work in 1963 and 1964. As early as 1960, the Appalachian Governors began to meet regularly to consider the longstanding economic deficicncies of the region and to pool their efforts toward the solution of common problems. In 1963 President John F. Kennedy created the President's Appalachian Regional Commission (PARC) to provide a forum for discussions between Federal and State agencies, industry, labor, and other interested parties and to undertake an appraisal of the region aimed at developing a program for the improvement of its economy.

After a year of discussion, debate, and decision a report was delivered to President Lyndon B. Johnson on April 9, 1964. That report contained an appraisal of the needs of the region and specific recommendations for meeting them. As described in this committee's report on the bill which became the Appalachian Regional Development Act of 1965, many Federal and State agencies were engaged in the work of this study Commission and the views of local officials, industry, labor, and private citizens were incorporated in its work and in its conclusions.

As a result of this Commission's work, the President submitted to the 88th Congress legislation to provide for a comprehensive program to stimulate economic growth in the Appalachian region. The Appalachian Regional Development Act of 1965 was signed into law by President Johnson on March 9, 1965.

Most of the programs authorized by the act were authorized for a period of 2 fiscal years ending June 30, 1967. The only exception to this was a 6-year authorization for the Appalachian highway program.

The committee held 4 days of public hearings on legislation to amend and extend the Appalachian program. Testimony was received from the Federal Cochairman of the Commission, Mr. Joe W. Fleming, from his predecessor, Mr. John L. Sweeney, and from the current State Cochairman, Gov. Hulett C. Smith, of West Virginia. In addition, witnesses from the various Federal agencies having responsibilities under the act were called to testify and a number of other witnesses representing organized labor, industry, and the public were heard.

The hearings were addressed to H.R. 4446, introduced by the chairman of the committee, Mr. Fallon, and companion bills as well as S. 602 which was passed by the Senate on April 27, 1967. The bill S. 602 as reported by the committee makes a number of changes in the legislation as passed by the Senate which are designed to facilitate and improve its administration. The general structure of the bill passed by the Senate and the programs which it authorizes have not been significantly changed. The bill reported by the committee does provide for the initiation of some new activities which are significant in potential. Among these are the authorization of technical assistance, advances and grants to encourage low and moderate income housing under section 221 of the National Housing Act, the extension of section 701 planning grants to local development districts, and a study of mine acid pollution in the region.

Upon signing the Appalachian bill in 1965, President Johnson said:

> The objectives of this Appalachian bill are important. But the origins of the measure are equally important. Originated by the Governors of the Appalachian States,

> formed in close cooperation with the Federal executive, approved and enacted by the Congress of all the people, this is the truest example of creative federalism in our times.

In a letter to the Congress dated January 20, 1967, urging an extension of the Appalachian Regional Development Act of 1965, the President said:

> The act was conceived in a true spirit of partnership. It was originated by the Governors of the Appalachian States. It was formed in close cooperation with the executive branch. And it was approved by the Congress of all the people.
>
> That partnership has flourished. Working together through the Appalachian Regional Commission, the 12 Governors and the Federal cochairman are bringing new hope—human and economic—to the 18 million people who live in Appalachia.

In 1965, it was the view of the committee that the joint Federal-State efforts which underlaid the development of the bill were essential to the effective implementation of the programs which it authorized. Thus, responsibility for the development of plans and programs authorized by the act was vested in an Appalachian Regional Commission, composed of the Governors of the participating States or their representatives and a representative of the Federal Government, a Federal cochairman. Provision was made for the election of a State cochairman from among the State members of the Commission. The act entrusted to this Commission the task of developing plans and programs within the framework of the legislation for effective use of these funds for the economic improvement of the region. The prime charge to the Commission in the preamble to the Appalachian Regional Development Act of 1965 is that "the public investments made in the region under this act shall be concentrated in areas where there is a significant potential for future growth and where the expected return on public dollars will be the greatest."

A remarkable degree of cooperation has marked the work of the Commission. It was the Appalachian Governors who urged an interstate approach to the problems of the region and their actions as members of the Commission have been fully in accord with the concept of regionalism which was advocated to this committee in 1964 and 1965. Also, the degree of cooperation between the Federal Government and the State Governors, which has marked the work of the Commission clearly rebuts the repeated assertion that the federal system is not adequate to the tasks of government in the 1960's. The Appalachian Regional Commission has designated a development highway system and allocated the funds authorized for its construction among the States, developed the means for allocating other funds—for such activities as land stabilization, vocational education facilities, and supplemental grants taking into account the relative needs of the States—and established criteria for planning and project approval. Every major decision made by the Commission has been by unanimous vote.

The Appalachian Act thrust upon the participating States the basic responsibility for developing and submitting projects. Section 303 of the act provides that applications to the Commission for assistance

may only be made through a State member. The Commission has refined this requirement by establishing the practice of requiring from each State an investment plan in which the State must appraise the prospects for growth within its Appalachian area and relate to such opportunities the Appalachian Act funds requested during that year. The requirement of State Development Plans coupled with the allocation of funds State-by-State for most programs enables the State governments—the Governors—to assess the relative needs and opportunities within their States and to establish priorities for the investment of Appalachian Act funds where, in the words of the act, "there is a significant potential for future growth."

Further, this procedure permits not only gubernatorial discretion as to where funds should be invested but also, through the supplemental grant program, permits the Governors to plan types of facilities which should be given priority. This not only permits decisions on public investments to be made by officials close to—and immediately responsible to—the people these investments will serve; but it also permits better coordination of governmental expenditures by the Federal, State, and local governments.

Our country has experienced substantial economic growth since the passage of the Appalachian Act in 1965. Increasing national demand for goods and services has absorbed to an increasingly greater extent the manpower and resources of the Appalachian region and it has been suggested that the need for a regional development program has abated. This is a view in which the committee cannot concur. While economic growth has not totally bypassed the Appalachian region, decades of neglect and deterioration are not be to corrected overnight. Until they are overcome, the region cannot make its full potential contribution to national output and wealth. The region presently imposes a disproportionate drain on the national economy through the need for welfare payments, and its history bars it from adding to national output the full potential of its human and other resources. Unemployment in the Appalachian region has fallen substantially since the President's Appalachian Regional Commission was organized in 1963, however its relation to unemployment in the Nation still presents a dismal picture. While unemployment has dropped in the region, both through a growth in employment and continued out-migration due to manpower demands elsewhere in the country, the income available to the people of the region relative to the Nation has not increased. Furthermore, the long-term undertaking authorized in 1965 can neither be accomplished nor the results felt in 2 years. The question of accomplishment was several times addressed to the Federal Cochairman, Mr. Fleming, during his testimony. He pointed out that only now—in the summer of 1967—will the first major surge of construction activity prompted by the program take place. This is particularly true in the highway program where there is substantial lag between the initiation of engineering and right-of-way acquisition and construction.

A remedial effort of the scope required to build a sound economic base in this region requires an effort of the States and their local governments in a magnitude, relative to their resources, substantially greater than for the more affluent sections of our country. Section 221 of the Appalachian Act requires that the States maintain their financial efforts in their Appalachian areas to insure that the special Federal assistance provided does not replace State funds which would other-

wise be used. The reports required by the Commission in satisfaction of the act indicate clearly that the Appalachian States are making a major effort in their own behalf. Expenditures of the States in the Appalachian region have increased 18 percent over the average expenditures for the base period 1963–64. A chart indicating the average increases by State follows:

STATE EXPENDITURES IN APPALACHIA IN FISCAL YEARS 1963–64 BASE PERIOD, 1966, AND 1967

State	Average expenditures, fiscal years 1963–64	Actual expenditures, fiscal year 1966	Percent increase, base period, fiscal year 1966	Estimated expenditures, fiscal year 1967	Percent increase, fiscal years 1966–67
Alabama	$154,255,730	$199,063,868	28.5	$222,021,504	11.5
Georgia	64,999,670	71,936,545	10.7	79,431,674	10.4
Kentucky	86,153,415	95,175,497	10.5	107,286,393	12.7
Maryland	27,921,864	37,720,069	35.7	50,841,824	34.8
New York	216,670,000	255,174,000	18.1	317,821,000	24.6
North Carolina	98,941,426	119,246,418	20.2	138,534,454	16.2
Ohio	164,278,203	170,090,293	3.7	221,540,596	30.2
Pennsylvania	699,519,267	832,598,211	19.0	970,055,469	16.5
South Carolina	49,650,337	59,815,217	23.0	65,887,906	10.2
Tennessee	125,032,000	155,616,000	24.8	159,791,000	2.7
Virginia	44,333,561	61,557,799	40.9	66,506,000	8.0
West Virginia	157,801,885	180,494,581	13.2	199,130,486	10.3

It is worthy of note also that, as of July 1, 1967, the participating States have assumed responsibility for one-half of the administrative expenses of the Appalachian Regional Commission.

Title I—The Appalachian Regional Commission

The bill reported by the committee provides only minor changes in the structure of the Commission. It provides for payment of the expenses of the Federal Cochairman and his staff entirely by the Federal Government. It is felt that the Federal member of the Commission should be solely responsible to the Federal Government and that the expenses of his office should be borne entirely by the Federal Government. Authorized for this purpose is $400,000 for a 2-fiscal-year period ending June 30, 1969. The Federal contribution authorized is $1,300,000, which will be matched dollar-for-dollar by the States, to the support of the Commission's staff for this 2-year period.

The committee bill provides for a redefinition of the responsibilities of the Commission. To safeguard the interest of the Federal Government, the act presently provides that all Commission actions on projects and programs are in the form of recommendations to departments of the Federal Government. Supplemental grant projects, for example, have to be recommended by the Commission before final approval, but final approval has been within the discretion of the Secretary of Commerce.

Similarly, the land stabilization program is subject to the final authority of the Secretary of Agriculture; mine area restoration projects and sewage treatment projects are subject to the authority of the Secretary of the Interior; and the vocational education projects are under the jurisdiction of the Secretary of Health, Education, and Welfare. It was probably wise to adopt this sytem for a 2-year trial period. The considerations which prompted it are past.

The Commission's record of accomplishment during the 2 years of its existence has established clearly that it is capable of making sound

decisions. Therefore, section 118 of S. 602 amends section 223 of the Appalachian Act of 1965 and provides that, with respect to applying Appalachian Act program criteria, the Commission's judgments shall be final and not subject to further review by the Federal agencies carrying out such program.

It is not intended that the Commission begin to employ engineers, surveyors, and other technical personnel. The technical evaluation of projects will continue to be performed by the operating agencies of the Federal Government. As indicated in section 223, of the Appalachian Act of 1965, the Commission's judgments will be limited to the program criteria in section 224, which entails evaluation of such matters as growth potential, financial need, and the importance of a given project or program and its contribution to the improvement of the area in which it is located and the region as a whole.

The bill also provides the means for change in the way the program is funded. Under the 1965 act, funds have been included in the budgets of the several departments of the Government charged with responsibility for administering the various programs authorized. Thus, funds for the highway and supplemental grant programs are in the Department of Commerce budget, the land stabilization program in the Agriculture budget, the mine area restoration program in the Interior Department budget, and so forth. Only the Commission's administrative funds have been appropriated directly to the Commission. As a result, the Congress has not had an opportunity to view the total picture and to pass judgment on it as a package.

H.R. 4446, as introduced, provides for the appropriation of all Appalachian Act funds to the Appalachian Regional Commission. This change was recommended by the Commission as a means of consolidating the programs budget in the appropriations process. S. 602, as referred to the committee, provided for the appropriation of all Appalachian program funds to the President rather than the Commission.

The question of appropriating funds directly to the Appalachian Regional Commission was carefully considered by the committee. The committee is keenly appreciative of the need for consolidation in funding the Appalachian program. However, this question must be judged in relation to the future of all regional development programs in as much as the administrative and fiscal structure of the Appalachian Commission sets a precedent for regional development commissions authorized under title V of the Public Works and Economic Development Act of 1965. In a letter to the Speaker of the House of Representatives dated January 20, 1967, the President addressed himself to the need for coordination of regional development programs. At that time he said:

> In my State of the Union message, I expressed my intention to submit to the Congress a proposal to merge the present Departments of Commerce and Labor into a single Cabinet-level Department. When that proposal is forwarded to the Congress, it will contain a recommendation that Federal activities relating to regional economic development and depressed areas be coordinated through the new Department. This Department would then have the basic responsibility for the Federal Government's efforts in all of the regional

commissions that have been or soon will be established, including the Appalachian Regional Commission.

While the means of funding the Appalachian program is directly related, as a precedent, to the status of other regional commissions it must be recognized that the Appalachian program has matured through 2 years of experience under the legislation enacted in 1965 and the previous work of the President's Appalachian Regional Commission. The commissions organized under title V of the Public Works and Economic Development Act are in varying stages of development. The committee believes that at the present time there is justification for adopting the change in funding for the Appalachian program contained in S. 602 thus to achieve the desired goal of consolidating the program through the appropriation of funds to a single recipient.

From discussions with the executive branch, the committee expects that funds appropriated to the President to carry out the act will be transferred to the Federal Cochairman of the Commission for allocation among the Federal departments and agencies which carry out the programs authorized by the act and for grants to the Commission for administrative expenses of local development districts and for research.

The committee expects to consider legislation early in the second session of the 90th Congress to authorize development programs for other regions when work has progressed to the point which justifies expenditures in addition to the supplemental grants authorized by this bill and at that time expects to consider the proposal to place these regional commissions on the same footing as the Appalachian Commission. Prior to that time the administration should submit to the Congress its recommendations for funding all regional development programs through the Office of the President, in a new department as previously proposed, or by other means.

COMMISSION EMPLOYEE PROTECTIONS

The committee bill adopts an amendment which adds a new section 109 to the act of 1965. This provision permits a Federal agency to treat service with the Appalachian Regional Commission or with any regional commission established pursuant to the Public Works and Economic Development Act of 1965, as Federal service in the case of an individual who was a Federal employee immediately prior to such commission service and who returns to Federal employment within 6 months after such commission service.

The amendment will assist the Commission in continuing to attract and retain qualified personnel during its remaining life.

The committee emphasizes that this provision applies to individuals who were Federal employees immediately prior to their employment with a commission, and does not establish any precedent conflicting with the past positions of the Civil Service Commission on this matter.

The Appalachian Highway Program

BACKGROUND

The Appalachian Regional Development Act of 1965 authorized $840 million for assistance in the construction of not to exceed 2,350

miles of development highways and not to exceed 1,000 miles of local access roads; $35 million of the authorized funds were reserved by the Appalachian Regional Commission for access roads; $805 was earmarked for the development highway system, of which $200 million was appropriated for fiscal year 1966 and $100 million for fiscal year 1967. As of May 30, 1967, $149.1 million of Federal dollars were obligated on the development highway system and $8.1 million of Federal funds were obligated for access roads. These obligations represent 200 miles of construction on the development system and 80 miles of construction on access roads. Engineering and right-of-way acquisition is underway on additional mileage.

In every analysis of the problems of the Appalachian region, isolation has been identified as one of the major deterrents to economic growth and development. The President's Appalachian Regional Commission gave top priority to the problem of access and, in its report, stated "Penetration (of the region) by an adequate transportation network is the first requisite of its full participation in industrial America."

The great natural resources of Appalachia point to its future, as does its location with two-thirds of the population of the United States surrounding it. But, until these resources can be moved swiftly and economically to their processing sites and then to their markets, their potential will remain a dream. The Appalachian development highway system will provide the means to insure that this potential is achieved.

Implementation of the Highway Program by the Commission

CORRIDOR DESIGNATION

By its first major action on May 12, 1965, the Appalachian Regional Commission recommended approval of 992 miles of highway corridors and 87 miles of "quick start" construction projects within the approved corridors. The "quick start" projects generally were those on which design was substantially complete and could proceed promptly to right-of-way acquisition and construction. On July 14, 1965, the Commission recommended corridors encompassing an additional 1,232 miles.

These actions were based upon information developed by the State highway departments, the State planning and development agencies, the Bureau of Public Roads and the Commission.

The Commission also requested the State highway departments, in cooperation with the Bureau of Public Roads, to develop adequacy ratings and cost estimates on the corridors designated by the Commission and to recommend priorities for construction.

THE COST ESTIMATE STUDY

The cost estimates thus developed indicated that funds greatly in excess of the $805 million available for the program could be used on these corridors. The realization that the design standards employed by the States in preparing the estimates in many cases exceeded that which could be met with the funds authorized by the Congress if Federal participation were to be at 70 percent of cost compelled the Commission to consider the various alternatives for providing an

adequate highway network consistent with the intent of the Congress in enacting the Appalachian program.

In August 1966, the Commission allocated all of the $805 million authorization among the States and established criteria for their expenditure. Federal participation in the cost of preliminary engineering, right-of-way acquisition, and the construction of two-lane facilities was set at 70 percent of cost, and for the construction of four-lane facilities at 50 percent of cost.

In his testimony, Joe W. Fleming, Federal Cochairman of the Commission, stated:

> Despite well-documented needs and strong pleas from many quarters, the Commission decided unanimously that a system adequate to support a major development effort for the region could be achieved by the proper and judicious application of the funds authorized. A key element of the policies was the decision not to request additional development highway funds, with the exception of the amendment proposed to cover the corridor in New York State and the connecting link in Pennsylvania.

In October 1966, the Commission approved additional projects for construction and allocated the appropriated funds among the States.

The committee commends the Commission for its judgment to attempt to obtain an adequate development highway system in the region through the selective application of the funds authorized rather than requesting a twofold increase in the program.

NEW YORK STATE

In accordance with a directive in the act, the Commission studied the inclusion of counties in New York State in the program and, in August 1965, the Commission invited New York State to participate in the program to the extent of 13 counties. This invitation was accepted. A study of the highway needs of this area of New York was undertaken. On the basis of this study, the Appalachian Regional Commission, on March 9, 1966, voted unanimously to designate two new corridors running west from Binghamton, N.Y., along New York State Route 17 to Erie, Pa., and the second providing a connection with the balance of the system, going south from Elmira, N.Y., to Williamsport, Pa. To facilitate planning and initiation of limited construction in New York it was necessary for the other member States to give up funds previously allocated to them; $25 million was allocated to New York State for engineering and construction on a 70-mile portion of the recommended corridors and route planning studies on the remainder. Actual construction on the remainder was deferred pending congressional authorization of an increase in the authorization of funds and construction mileage.

In this connection, witnesses from both Pennsylvania and New York appeared before the ad hoc subcommittee in behalf of the Appalachian Thruway Association, a voluntary, nonprofit association of civic groups and individuals supporting the proposed Appalachian highway development corridor from Cumberland, Md., through Williamsport, Pa., and now on to Elmira, N.Y. They suggested that consideration be given to the eventual further extension of that corridor from Elmira, N.Y., in a northeasterly direction through Ithaca, N.Y., and on to

Cortland, N.Y., where it would meet Interstate Highway 81, the major north-south artery connecting the United States with Canada. In the view of the subcommittee, this approximately 60-mile extension of this corridor has sufficient merit to deserve the early attention of the Commission and the other interested agencies.

Access Road Program

As of June 15, 1967, $20.8 million in Federal funds had been approved to construct 65 local access roads; $8.1 million had been obligated by May 31, 1967, with 107 miles of roads under actual construction or completed.

The committee recognizes the difficult and complicated task that the Commission faced in designating the numerous miles of highway corridors, shown on the following map, that crossed the several States of the region. The committee understands the problems of allocating $805 million among the member States. The committee commends the Appalachian Regional Commission in achieving these objectives with speed and with total harmony.

RECOMMENDED CHANGES

S. 602, as reported, makes several major changes in section 201 of the Appalachian Act of 1965 as follows:

1. Authorizes $715 million to be appropriated to the President for the Appalachian highway program for the 4-fiscal year

period ending June 30, 1971. This increases the total authorization for the Appalachian highway program from $840 million to $1,015 million, in order to provide for the construction of an east-west corridor in New York State and a connecting corridor in Pennsylvania, and to provide an additional $35 million for the access road program.

2. Increases the construction mileage limitation for the development highway program from 2,350 miles to 2,700 miles, and increases the access road mileage limitation from 1,000 to 1,200 miles.

3. Permits the participating States, with Commission approval, to construct development highway projects with their own funds, under Federal-aid procedures, with the opportunity for reimbursement as additional funds are appropriated by the Congress. The advancement of such projects to construction would not obligate the Federal Government to provide funds for such projects.

4. Provides that the Commission will transmit to the Secretary of Transportation designated highway programs and projects to be implemented by the Secretary of Transportation. Under the original section 201, as amended by the Department of Transportation Act, the Commission would recommend projects to the Secretary of Commerce, and the Secretary of Commerce would then recommend those projects which he finds acceptable to the Secretary of Transportation for implementation.

When the Appalachian Regional Development Act of 1965 was enacted, many of the programs were based upon suggestions made in the report of the President's Appalachian Regional Commission. This was particularly true of the development highway system. The $805 million authorized for this program was based generally upon specific corridors and estimates outlined in the PARC Report.

New York States was not included among those studied in the PARC Report. However, in view of New York's subsequent inclusion in the region, the request for additional authority, to provide for a development highway corridor in New York State and a connecting link in Pennsylvania, is compatible with the adoption of the New York amendment to the Appalachian bill in 1965. The committee bill, therefore, increases the authorized mileage and authorizes an additional $140 million to provide for assistance in improving these corridors.

The increased authorization and mileage for the local access road program will serve to continue a program which appears to have an economic impact well beyond its cost.

The amendment of section 201 to permit the Appalachian States to construct development highway projects which meet Commission criteria with their own funds, under Federal-aid procedures, in advance of appropriations therefor meets the objective of H.R. 6605, introduced by Representative Harsha, and will serve to expedite the program should the ability of the State highway departments to commit funds exceed appropriations. The entire program is designed to accelerate construction on selected corridors. This amendment serves that end. The States could be reimbursed the Federal share of such costs only if and as additional appropriations are made.

S. 602, as referred to the committee, also would amend subsections 201 (d) and (e) of the Appalachian Act of 1965. Currently, subsection

201(d) permits the States to give special preference in the construction of Appalachian road projects to indigenous mineral resource materials. This would be modified in the reported bill to permit preference to be shown to materials and products indigenous to the region. This amendment is, in way of clarification, that such products as coal tar and fly ash which are clearly indigenous to the region should be encompassed by this provision.

Subsection 201(e) presently provides that the Secretary of Commerce (Transportation) may require each State to use coal derivatives in the construction of up to 10 percent of the roads authorized under section 201. S. 602, as referred to the committee, alters this provision to direct the Secretary of Transportation to do so.

The bill as reported by the committee restores language of the original act.

The committee has deleted the language in S. 602 concerning unexpended balances of appropriations under sections 201 and 401 of the act. Any transfers of such balances which may be desirable because of changed functions effected by S. 602 can be accomplished under other Federal laws.

Demonstration Health Projects

Section 202 of the 1965 act authorized $41 million for grants for the construction and equipment of multicounty demonstration health facilities and $28 million for the operation of such facilities. Construction and initial equipment grants are limited to no more than 80 percent of project costs. Grants for 100 percent of operation costs may be made during the first 2 years a project is in operation and for up to 50 percent of such costs for the following 3 years, $23.5 million has been appropriated for these purposes. S. 602 authorizes an additional $50 million for this program.

This program was authorized to demonstrate new and improved techniques for the delivery of adequate health services to selected areas of Appalachia. The Appalachian Regional Commission established, in August 1965, a Health Advisory Committee composed of experts in the health field to prepare an evaluation of the health needs and facilities in Appalachia and to recommend criteria for demonstration projects.

The Health Advisory Committee developed criteria and guidelines for projects aimed at providing comprehensive health services for a project area, emphasizing three major concepts—regional service, comprehensive care, and demonstration of new health service techniques—and emphasizing health education, personal preventive services, diagnostic and therapeutic services, rehabilitative services, communitywide enviornmental health services, and provision for continuing care of persons to encourage the development of a continuing relationship between a patient, his physician and other health service personnel. These standards were adopted by the Commission.

The amendments to section 202 of the Appalachian Act of 1965 which are included in S. 602 as reported provide that 202 funds may be used for training of personnel, for initial operating funds for the centers, for operating deficits, including the cost of attracting, training and retaining medical personnel, and for construction and equipment. New provisions authorize the use of funds for the acquisition of privately owned facilities not operated for profit, in order to provide

an integrated system of health services; for the support of the Health Advisory Committee; and for grants up to 75 percent for the planning and evaluation of projects. The restriction that operating grants be limited to projects constructed with the assistance of 202 funds would be eliminated to permit the use of an existing hospital or other health facility, including a facility constructed under title I of the Public Works and Economic Development Act, as a unit in a multicounty demonstration project. Operating grants can be made only for facilities not operated for profit. Also, the separate authorizations for construction and operations would be replaced by a single authorization which could be used as needed to carry out the purposes of the section.

Construction or equipment could be funded either entirely from section 202 grants for up to 80 percent of their cost, or from a combination of 202 grants and grants from other programs such as the Hill-Burton, the mental retardation facilities, and the community mental health programs, and would be made in accordance with the applicable provisions of such acts.

Projects in North Carolina, South Carolina, West Virginia, Ohio, Georgia and Kentucky are in advanced stages of development.

These projects are being formulated and will be administered by bodies which represent a cross section of the population to be served, including hospital administrators, public health officers, private physicians, public officials, and others. These projects are designed to insure the coordination of all health facilities and services in the area and to provide private physicians with a significant voice in the projects.

The reported bill amends subsection (c) of section 202 of the Appalachian Act of 1965 to emphasize the committee's intention that demonstration health projects be conducted under efficient management practices that will avoid operating deficits.

Land Stabilization Program

Section 203 of the 1965 act authorizes the Secretary of Agriculture to enter into contracts from 3 to 10 years in length with landholders for conservation practices; $7 million was appropriated for fiscal year 1966 and $3 million was appropriated for fiscal year 1967. All of the $7 million has been obligated and $3 million for fiscal year 1967 is expected to be obligated by June 30, 1967. S. 602 contains a new authorization of $19 million for fiscal year 1968 and fiscal year 1969.

Timber Development Organizations

Section 204 of the Appalachian Act of 1965 authorized $5 million for technical assistance and loans for the creation of timber development organizations to improve the management, harvesting, and marketing of forest products. One million dollars was appropriated in fiscal year 1966. There was no appropriation for this purpose in fiscal year 1967. Of the $1 million appropriated, $100,000 has been obligated.

In collaboration with the U.S. Forest Service, the Commission contracted for a study of the feasibility of establishing timber development organizations. This study suggested that timber development organizations as envisioned when the act was passed may not be a feasible solution to the problem of improving timber management in

the region. The Forest Service is now undertaking several pilot projects to test this conclusion. The first of these is underway in Tennessee and negotiations are in progress for additional projects in Kentucky and New York. The committee supports an authorization of $1 million for these purposes for fiscal years 1968 and 1969.

Mine Area Restoration

Section 205 of the 1965 act authorizes the Secretary of the Interior to provide assistance to the States for sealing and filling abandoned coal mines, reclaiming and rehabilitating areas damaged by surface mining, planning and executing projects for extinguishing underground and outcrop mine fires, and to expand and accelerate fish and wildlife restoration projects in the region. The Secretary was also directed to conduct a comprehensive study of strip and surface mining in the United States, and to submit recommendations to the President for a program of reclamation for such lands. This report was submitted by the President to the Congress July 1, 1967.

$36 million were authorized for these purposes, of which $24.85 million has been appropriated. S. 602, as reported, would authorize $30 million for mine area restoration activities for the next 2 fiscal years. The programs to prevent subsidence and to extinguish and control mine fires were included in the act and are continued at the request of the Commonwealth of Pennsylvania, which is seriously afflicted by these problems, both in the anthracite region in eastern Pennsylvania and in the bituminous area around Pittsburgh. Pennsylvania also supported the amendment in S. 602 that authorizes the reclamation of areas covered with waste from underground as well as surface mining activities. Surface mining is carried on in most States of the region, and surface mine reclamation projects have been approved in Ohio and Tennessee. With the exception of these projects, however, all of the funds approved by the Commission under this section have been approved for projects in Pennsylvania.

All of the funds appropriated for sealing and filling mine voids and for the control of mine fires have been made available to the Commonwealth of Pennsylvania.

As of June 21, 1967, the Commission had approved 31 mine fire and subsidence projects in Pennsylvania. The total cost of these is now estimated at $22,920,000 of which the 75-percent Federal share is $17,190,000. Additional Pennsylvania projects are pending which will require another $1,539,000 in Federal funds and the State has identified projects which would require in excess of $35 million of additional Federal funds at the present matching ratio.

As with other Appalachian projects, mine fire, strip mine and subsidence projects must serve areas having significant potential for future growth, set forth in a State investment plan. The projects are designed to provide economic development by eliminating the danger of subsidence, heat, or escaping gases from mines fires, and by restoring lands suitable for development. The same criteria would apply to projects for the restoration of abandoned oil and gas wells, an activity authorized by S. 602. This amendment was requested by New York State which has important State park lands that are of little or no use because of the pollution and physical dangers to campers arising from the abandoned wells.

The act provides that only publicly owned lands may be reclaimed under the program, and little of the land in Appalachia scarred by strip mining is in public ownership. The report of the Secretary of the Interior indicated that only 4 percent of the strip mine areas in the region are owned by public bodies. To encourage the States and local communities to reclaim their strip mine lands and to acquire additional lands for reclamation, the reported bill amends section 205 to permit the States to apply costs incurred, after the date of enactment of this bill, in acquiring lands required for projects, toward their non-Federal share of project costs. The reported bill also makes reasonable planning and engineering costs eligible for Federal assistance like other project costs.

The committee bill eliminates the provision for assisting fish and wildlife restoration projects.

As of June 21, 1967, the Commission had approved seven strip mine reclamation projects which, in total, will require $1,234,570 in Federal funds. The total cost of these projects is $1,646,093. With the exception of one project adjacent to the Pittsburgh Airport, all of these projects have been related to recreational development.

The committee recognizes the encouraging trend to strong State legislation for the control of strip mining. Pennsylvania passed an important control act in 1963, Kentucky and Virginia in 1966, and West Virginia and Tennessee in 1967.

Until a national program is established, the committee believes that no lands which were mined after the date of enactment of the Appalachian Regional Development Act Amendments of 1967 should be reclaimed with Federal funds.

Due to the heavy demand for funds to undertake mine fire control and subsidence prevention projects it is doubtful that more than six or eight strip mine control projects can be undertaken with funds authorized by S. 602. The fact that land acquisition costs can be used as matching funds may encourage investments in sites which have high potential for development. The experience gained in these projects, in the view of the committee, will be extremely useful in the future.

Water Resources Survey

Section 206 authorizes the Secretary of the Army to prepare a plan for the development of the water resources of the Appalachian region. Under the leadership of the Office of Appalachian Studies of the Corps of Engineers located in Cincinnati, Ohio, substantial progress has been made to achieve this objective.

The 1965 act authorized $5 million to prepare this plan to be completed December 31, 1968. Three million dollars has been appropriated. The committee supports an authorization of $2 million to complete the study as planned in the original Appalachian Act.

The survey of Appalachian water resources has been guided by the Water Development Coordinating Committee for Appalachia, comprised of representatives from the States, Federal agencies and the staff of the Appalachian Regional Commission. The survey plan stresses the need to formulate a water resources plan for the region that complements the overall development plans being prepared by each of the Appalachian States, and to identify water resource projects with great economic development potential.

The Corps of Engineers has developed procedures for water resource planning evaluation in Appalachia which measure the full range of developmental benefits that may flow from the provision of water resource goods and services.

Each of the Appalachian States has furnished to the Corps of Engineers its appraisal of the critical water resource problems within the State that it considers crucial from an economic development standpoint. The District Offices of the Corps of Engineers have completed initial reports outlining priority water resource development potential and needs, including suggested projects. These projects are now being carefully studied by the Federal agencies and the States to determine those projects for which authorization will be sought as the urgently needed projects within the comprehensive plan.

The committee understands that the main thrust of the overall study will be a series of about 10 subregional reports outlining the framework for the comprehensive development of the water and related resources of a subregion. These subregions are groupings of State-designated planning areas. Projects to be recommended for early congressional authorization will be detailed and presented in the overall final report for the study as well. The study will also include a number of appendixes dealing with the several aspects of the study from the total Appalachian region standpoint.

It is anticipated, based upon the progress to date, that the study will be completed for submission to Congress by December 31, 1968.

Assistance for Planning and Other Preliminary Expenses of Proposed Housing Projects Under Section 221 of the National Housing Act. S. 602 Adds Section 207 to the Appalachian Act

The Congress has enacted programs to make adequate low-cost housing available throughout the country. The public housing program has been used extensively in the Appalachian region. The more critical need for new housing is to accommodate families who have incomes which disqualify them for public housing or to whom, for geographic reasons, public housing is not available. To help meet this need, Congress enacted section 221 of the National Housing Act which authorizes the Federal Housing Administration to insure mortgages for low and moderate income housing projects.

For all practical purposes, the section 221 program has not been used in Appalachia. Of 40,000 housing units which have been constructed with the aid of this program, only 603 are in the Appalachian region. Thus, Appalachia, with 8.5 percent of the Nation's population, has been the beneficiary of only 1.5 percent of the section 221 housing constructed in the country.

The Appalachian Commission found that there are two primary reasons for the failure of 221 programs in the region; the acute shortage of capital needed by nonprofit organizations to prepare their applications at FHA and FNMA, and the shortage of technical and managerial competence to initiate and manage housing projects.

S. 602 adds a new section, section 207, to the Appalachian Regional Development Act of 1965, to help meet these problems.

The Secretary of Housing and Urban Development is authorized to make loans for up to 80 percent of the preliminary costs of planning a project and obtaining an insured mortgage under section 221 of the

National Housing Act, including such costs as preliminary surveys and analyses of market needs, preliminary site engineering and architectural fees, site options, FHA and FNMA fees, and construction loan fees and discounts. Loans may be made without interest, or at any market or at below market interest rate authorized for a mortgage insured under section 221. In most cases, these costs are recaptured by local sponsors when a construction loan, insured by FHA, is made. When such financing is obtained by the local sponsor, the advances made under the program will be repaid to a revolving fund administered by the Secretary. The Secretary is authorized to prescribe terms and conditions for such loans, and he may waive the repayment of all or any part of a loan which he finds the borrower is unable to recover from the proceeds of a mortgage insured under section 221.

Section 207 also authorizes technical assistance grants under terms and conditions prescribed by the Secretary, for up to 80 percent of the administrative expenses not recoverable under a section 221 insured mortgage, which are incurred incident to planning a project and obtaining an insured mortgage such as the preparation of applications to FHA and FNMA, coordination and management activities.

Five million dollars would be authorized for this purpose. It is contemplated that 80 percent of the funds expended will be returned to the revolving fund from the proceeds of mortgages insured under section 221. Additional projects will be financed with these funds.

As in other programs authorized by the act, these loans and grants will be made for projects submitted by the States and approved by the Commission.

Vocational Education Facilities

Section 211 of the 1965 act authorized $16 million to provide grants for the construction of vocational education facilities in the region in accordance with the provisions of the Vocational Education Act of 1963; $8 million of the authorization was appropriated in fiscal year 1966 and $8 million in fiscal year 1967. These funds are in addition to the sums provided the Appalachian States under the Vocational Education Act of 1963.

Funds for vocational education serve to help fulfill two of Appalachia's greatest needs: the provision of needed skills to those about to enter the labor force, and the upgrading of skills of persons unemployed by new technological developments. In addition, the vocational education program in Appalachia is providing opportunities for job training for those who live in the more remote and isolated sections of the region.

As of June 15, 1967, the Appalachian Regional Commission had approved 63 vocational education construction projects, using a total of $15,237,330 in section 211 funds, while another six construction projects requesting a total of $1,406,776 are now under review at the Commission and in the State education departments.

The Appalachian region's economic problems can in large measure be traced to rapid technological advances of the past which continue today and are even accelerating in pace. The economic and human dislocations stemming from these technological advances, mainly in mining, heavy industry, and agriculture have been the largest contributing factor to unemployment in the region.

Of the unemployed in Appalachia, most are either unskilled, semiskilled, or possess skills for which there is no longer any demand. Clearly education, particularly vocational education, is greatly needed.

Section 211 funds have been essential not only to the continuing of vocational education plans in the States, but in the acceleration and initiation of new activities.

The approved projects using section 211 funds will provide a variety of skills for 15,000 new students annually. Section 211 projects now under review will provide facilities for another 18,000 students annually. Taken together, all vocational education projects constructed with funds from section 211 and section 214 will provide new and expanded facilities for almost 45,000 students annually.

The Vocational Education Act of 1963 provided the Appalachian region with $6 million in construction funds in fiscal year 1965, $10 million in fiscal year 1966 and an estimated $10 million in fiscal year 1967.

A survey of the Appalachian State vocational education directors indicates that plans and applications are in preparation for vocational education needs in fiscal year 1968 requiring almost $40 million in Federal grant-in-aid funds.

If Vocational Education Act of 1963 construction funds are made available to the Appalachian portions of the States on the basis of their population, no more than $8 million will be available in fiscal year 1968. The significance of Appalachian Act funds can be seen from the fact that the annual appropriation under section 211 is approximately the same as the amount available to the region under the 1963 act.

Through legislative or administrative means, several of the States authorized two or more school districts to combine for the financing and sponsorship of area vocational schools. This has accelerated the pace of vocational school construction and increased the demand for Federal vocational education funds assistance.

The following letter was sent to the committee by the Federal cochairman of the Appalachian Regional Commission:

> One of the most useful and immediately rewarding provisions of the Appalachian Regional Development Act is section 211 which provides additional funds for vocational education school construction in the Appalachian region. You will recall that this provision was included in the legislation in 1965 due to the findings of the President's Appalachian Regional Commission that acceleration of vocational education in the region was a high priority item in a regional development program.
>
> Sixteen million dollars was authorized for this purpose in the 1965 act. The full authorization was appropriated and, by the end of fiscal year 1967, virtually all of these funds will been obligated. Coupled with supplemental grants available under section 214 of the act, these funds and moneys available under the Vocational Education Act of 1963 have produced the construction of 70 vocational education schools in the region during the first 2 years of the Appalachian program.
>
> In proposing an extension of the act to the Congress, the Commission sought to generally follow the authorization

levels contained in the 1965 act. For this reason, it was proposed that an additional $18 million be authorized by section 211 for the 2-fiscal-year period ending June 30, 1969. The rapid pace at which funds appropriated for vocational education construction have been utilized has led the Commission to conclude that some increase in this program is now being justified and a sound investment in the region.

A canvass of the States indicates that plans are in being for vocational education facilities which, at the matching ratio provided in the Vocational Education Act of 1963, could employ $40 million in Federal funds in fiscal year 1968. We are advised by the U.S. Office of Education that approximately $75.4 million will be available to the Appalachian States in fiscal year 1968 under the Vocational Education Act of 1963. If these funds are allocated to Appalachian projects in proportion to population, approximately $20.5 million will be available in the region under this program in fiscal year 1968. It should be noted that the rapid pace of vocational education school construction in the region has placed an increasing burden on these funds for operations. Even with an additional $9 million (half of the authorization currently contained in S. 602) Federal funds will fall considerably short of the level which could be effectively utilized.

For these reasons, we believe an increase in the authorization contained in section 211 is both justified and desirable and suggest that it be increased to $26 million for the 2-year period. While this will not permit the maximum acceleration of construction in the region, it will be extremely helpful.

The committee supports an authorization of $26 million in section 211 funds for fiscal year 1968 and fiscal year 1969. S. 602 also amends section 211 to make funds available, as under the Vocational Education Act of 1963, for equipping existing facilities as well as for the construction and equipment of new facilities.

Sewage Treatment Facilities

Section 212 of the Appalachian Act of 1965 authorizes $6 million for grants for the construction of sewage treatment facilities in accordance with the Federal Water Pollution Control Act. $3 million was appropriated in fiscal year 1966 and $3 million in fiscal year 1967. These funds are in addition to the sums provided the Appalachian States under the Federal Water Pollution Control Act.

As of May 31, 1967, the Commission had approved 25 sewage treatment projects using a total of $2,740,250 in section 212 funds. Another 23 projects requesting a total of $2,666,247 are under review at the Commission, in the regional offices of the Federal Water Pollution Control Administration, or in the States.

Inadequate waste treatment, through the lack of sewage treatment facilities, can be a serious impediment to economic development. The committee therefore recommends the authorization of $6 million for fiscal year 1968 and fiscal year 1969.

Amendments to Housing Act of 1964

Section 213 of the Appalachian Regional Development Act of 1965 amended section 701 of the Housing Act of 1964 to authorize grants, at 75 percent of the costs, to the Commission for comprehensive planning for the region, and to the States for planning Appalachian programs. S. 602 would further amend the Housing Act of 1964 to make local development districts, certified to the Commission by the Governors of the States in which they are located, eligible for 75 percent grants for comprehensive planning in their areas and for planning Appalachian region programs.

The proposed amendment is designed to make it possible to concentrate many of the planning functions, now discharged by a number of units and levels of government, in multicounty local development districts as they are organized.

Supplemental Grants-in-Aid

Section 214 authorizes supplemental grants to enable the States, local governments, and other applicants to take full advantage of Federal grant-in-aid programs. Grant-in-aid programs for the construction or equipment of facilities, or the acquisition of land, authorized on or before March 9, 1965, the effective date of the 1965 act are eligible for supplements. Supplemental grants may increase the Federal share of the project costs eligible for assistance under a basic grant-in-aid program to a maximum of 80 percent of the costs. Ninety million dollars was authorized. Forty-five million dollars was appropriated for fiscal year 1966 and $30 million for fiscal year 1967. S. 602, as reported, authorizes $71 million for this purpose for the next 2 years.

As of May 31, 1967, the Appalachian Regional Commission had approved 343 supplemental grants totaling $55 million. Ninety-seven projects requesting $18 million in 214 funds are now under review at the Commission or in the States. Most of these 440 projects, representing a total cost of $350 million, are of six types: hospitals, higher education, vocational education, sewage treatment, libraries, and airports.

In 1964 and 1965, testimony presented to the committee in support of section 214 established that eligible applicants in the region had been unable to provide the necessary matching funds to take full advantage of Federal grant-in-aid programs. The effect of the section 214 program can be seen by a comparison of Federal money spent in the region in fiscal year 1965 (when no 214 funds were available) and fiscal year 1966 (when they were). (Table I.)

In fiscal year 1965, $65 million in Federal grant-in-aid funds, covering the six major programs noted above, were spent in the region. In fiscal year 1966, $27.8 million in section 214 funds supplemented $110.5 million from those same six programs—an increase of $45.4 million.

TABLE I.—PUBLIC FACILITIES CONSTRUCTION EXPENDITURES IN APPALACHIA, FISCAL YEAR 1965 AND 1966

Program type	Total cost	Basic Federal funds	State and local funds	214 supplemental
Libraries:				
1965	$5,747,972	$2,054,974	$3,227,895	
1966	8,834,917	3,736,887	3,105,575	$1,992,455
Vocational education:				
1965	16,210,914	6,157,296	10,053,618	
1966	32,462,723	13,696,215	14,691,563	4,074,945
Higher education:				
1965	79,658,575	18,950,993	60,707,582	
1966	186,030,893	43,662,098	133,401,597	8,967,198
Sewage treatment:				
1965	46,461,844	11,829,037	33,817,457	
1966	48,058,025	13,612,113	28,716,636	5,300,276
Hospitals:				
1965	56,234,333	18,209,797	38,024,536	
1966	68,157,298	25,131,005	36,295,581	6,730,712
Airports:				
1965	15,869,140	7,934,570	7,934,570	
1966	21,288,544	10,644,272	9,842,673	801,599
Totals:				
1965	[1] 220,182,778	65,136,667	153,765,658	
1966	[2] 364,832,400	110,482,590	226,053,625	27,867,185

[1] Includes grants made under APW.
[2] Includes grants made under EDA.

On the basis of grants approved as of March 31, 1967, every dollar of 214 money has accounted for $1.87 in other Federal funds, and has attracted $1.81 in State and local money, or a total of $4.68 in all projects as indicated in table II. Section 214 funds have accounted for an average of 21 percent of total project costs.

TABLE II.—APPROVED 214 PROJECTS AS OF MAR. 31, 1967

Program type	Number of projects	Total cost	Sec. 214	Basic	State and local
Libraries	35	$9,905,339	$2,657,602	$3,825,106	$3,422,630
Vocational education	56	34,768,293	9,484,883	15,887,911	9,395,499
Higher education	45	62,690,605	11,665,130	20,976,807	30,048,668
Sewage treatment	33	21,277,921	5,567,739	6,237,506	9,472,676
Hospitals	60	52,534,964	9,625,968	23,126,660	19,782,336
Airports	14	4,622,898	1,083,566	2,278,757	1,260,575
Other	21	15,237,408	2,975,871	7,884,932	4,376,605
Grand total	264	201,037,428	43,060,759	80,217,679	77,758,989

The committee is impressed with the fact that less than a third of the supplemental grants approved by the Commission have raised the Federal grant to 80 percent of project costs.

Moreover, within the States, supplemental grant funds have been a key element in the implementation of State investment plans required by the Commission. Alabama, for instance, as table III shows, has concentrated almost all of its 214 money in the area of higher education. Maryland has used its funds almost entirely for the expansion of hospital facilities. The majority of Georgia's 214 funds have supplemented projects which will eliminate water pollution in the major river and water storage areas in northern Georgia. Kentucky's plan detailed a 4-year investment schedule using almost all of its 214 money in the construction of vocational education facilities in its eastern counties. Twenty-four of these schools have been funded and some are now nearing completion and nine more are planned for fiscal year 1968. The decision to concentrate 214 investment to this extent is extremely significant in a State where the overall demand for supplemental funds is probably the greatest in the region.

TABLE III.—APPROVED AND PENDING APPLICATIONS FOR SUPPLEMENTAL GRANTS, ANTICIPATED THROUGH JUNE 30, 1967

[Dollar amounts in thousands]

State	Total	Libraries		Vocational education		Higher education		Sewage treatment		Hospitals		Airports		Other	
		Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Alabama	$7,707	$323	4	$511	7	$5,161	67	$476	6	$610	8	$0	0	$627	8
Georgia	5,382	253	5	699	13	708	13	1,794	33	1,422	26	141	3	364	7
Kentucky	5,829	200	3	3,075	53	0	0	0	0	1,414	24	0	0	1,140	20
Maryland	3,289	112	3	354	12	0	0	444	13	2,039	62	30	1	310	9
New York	4,900	357	7	895	18	300	6	1,920	40	850	17	208	4	370	8
North Carolina	3,363	215	6	1,154	34	957	29	251	8	641	19	145	4	0	0
Ohio	6,206	149	2	2,068	33	244	4	1,383	22	1,955	32	42	1	365	6
Pennsylvania	14,132	1,767	12	3,614	26	2,670	19	1,589	11	3,168	22	1,082	8	240	2
South Carolina	4,915	0	0	1,058	21	1,929	40	1,389	28	227	5	0	0	313	6
Tennessee	7,301	117	2	405	5	3,105	43	1,500	20	2,014	28	118	1	43	1
Virginia	2,822	70	2	1,308	46	225	8	491	18	560	20	80	3	89	3
West Virginia	8,616	585	7	1,154	13	3,257	38	190	2	1,636	19	1,040	12	754	9
Total	74,462	4,148	6	16,295	22	18,556	25	11,427	15	16,535	22	2,886	4	4,615	6

The total fiscal year 1966 and fiscal year 1967 appropriations of $75 million in section 214 funds was allocated by the Commission on the basis of a formula which divides 14 percent of the funds equally, 14 percent on the basis of land area, 28 percent on the basis of population, and 44 percent on the basis of per capita income weighted inversely.

The State agencies which program grant-in-aid funds in the six major program areas noted above estimate that about $500 million worth of projects could be in the application stage in fiscal year 1968. On the basis of budget requests from Federal agencies, it is anticipated that only about $334 million worth of projects in these categories could be funded with fiscal year 1968 allotments (table IV). These allotments were figured by assuming that the Appalachian portion of each State would receive Federal grant-in-aid from these funds relative to its population.

TABLE IV.—ESTIMATE OF 214 PROJECTS, FISCAL 1968

Program type	Total cost	Basic Federal	Past 214 (percent)	214 funds
Libraries	$7,629,883	$4,577,930	27.3	$2,082,958
Vocational education	16,851,132	8,425,566	25.1	4,229,634
Higher education	131,659,748	43,882,194	18.8	24,752,033
Sewage treatment	63,173,363	18,952,009	26.0	16,425,074
Hospitals	75,583,758	41,571,067	17.7	13,378,325
Airports	15,460,000	7,730,000	22.3	3,447,580
Other	23,360,270	9,419,046	21.1	4,929,017
Total	333,718,154	134,557,812		69,244,621

The reported bill provides an authorization of $71 million for supplemental grants for fiscal year 1968 and fiscal year 1969.

The reported bill also amends section 214 to permit supplemental grants for grant-in-aid programs enacted on or before August 1, 1967.

Public Law 566, 83d Congress, dealing with the watersheds of this Nation, requires that local persons pay the costs of easements and rights-of-way necessary to carry out the programs operated under that law. The Appalachian Regional Commission has carried out the requirement of Public Law 566, and there is nothing contained in the present legislation to change that basic approach.

Maintenance of Effort

The committee bill amends section 221 of the 1965 act, concerning State maintenance of effort, to make it clear that a State's expenditures in connection with the construction of Interstate System highways and the expenditure of local funds are not to be considered in determining compliance with this section.

Program Implementation

Section 223 of the 1965 act, as amended by the reported bill, provides that the Commission's judgment with respect to applying Appalachian Act program criteria, including such matters as the evaluation of growth potential, financial need, and the importance of a program or project and its contribution to the permanent improvement of the area in which it is located and the region, shall be final and not subject to further review by the Federal departments and agencies.

However, no program or project is to be implemented until the applications and plans relating thereto have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this act. The technical evaluation of projects and the actual accomplishment of programs and projects continues to be the responsibility of the Federal departments and agencies.

The committee emphasizes that the Commission is not to become an operating agency.

The Commission's operation and experience to date amply demonstrate its ability to make final program and project decisions once the involved Federal agency or agencies has reviewed a proposal. This amendment is necessary to foster and facilitate the smooth and efficient prosecution of the program.

Program Development Criteria

The committee bill amends section 224 of the Appalachian Act of 1965 to conform to the redefined role of the Commission and to make it clear that funds authorized by the act may not be used to assist establishments relocating from one area to another.

Local Development Districts and Research

Section 302 of the 1965 act authorized $5.5 million for grants for administrative expenses of local development districts and to provide funds for research and demonstration projects which will further the purpose of the act. $2,500,000 was appropriated in fiscal year 1966 and $2,750,000 in fiscal year 1967 to carry out this section. The Commission has allotted $3.3 million of these funds for the local development district program and the balance for studies and research.

Under section 301 of the 1965 act, the Governors of the Appalachian States may certify local development districts to the Commission. The local development district program was included in the Appalachian Act to provide a means for consolidating planning and financial resources in the areas of the region. It was hoped that this device would help to promote multicounty cooperation in the planning and provision of public services and facilities which could not be supported by the tax base of a single county or municipality. The provision of trained personnel to assist local leaders in development programs was viewed as an additional benefit. The requirement that development districts be certified by a Governor or Governors was designed to lend further assistance to the chief executives of the States in carrying out their responsibilities under the act.

To assist the States in the initial phase of the Appalachian program to do the planning and project preparation required of them, and to encourage the development of a well organized and coordinated system of development districts, the Commission established the policy of making administrative expense grants available during the first year of the program only to State-sponsored institutions with the proviso that a primary function of such units would be the planning, generation, and organization of truly local development organizations. Each of the 12 States applied for assistance in accordance with this policy and development districts supported by section 302 grants and State matching funds have been established in all of the States.

The composition of these institutions vary widely according to the size of the State's area within the region, the history of local planning organizations within the State, the state of development of State planning agencies and the views of the Governor as to the proper means for assisting local development efforts.

A number of States have established offices within their Appalachian area designed to serve multicounty areas designated by the Governor. West Virginia, North Carolina, Georgia, Ohio, Maryland, and South Carolina all have local development agencies outside of the State capital supported by section 302 funds. The other States are working toward the establishment of such offices.

To guide the development district program in fiscal year 1967, the Commission has continued the policy of permitting grants to State-sponsored institutions, but also will provide support for other certified local development districts, if requested by the State. Also, as a preface to further development district programs, each State is required to submit to the Commission by July 1, 1967, a report on its plans for administering and financing State or multicounty local development districts for the remaining life of the Commission after the applicable periods of Federal assistance have expired.

Section 302(a)(2) authorizes funds for investigation, research studies, and demonstration projects. The reported bill makes it clear that these funds also may be used for training and technical assistance. The "training programs" authorized by section 302(a)(2) are training programs for the persons selected by the State or agency of the State to plan, set up, and operate local development districts. The Commission has not allocated funds State by State for this purpose but has approved research and demonstration projects, largely under Commission management, designed to increase the information available to the Commission for its own use, and to facilitate the planning required of the States by the act and by Commission resolutions.

The reported bill also amends section 302 to require that the records of recipients of Commission assistance shall be available for Federal audit with respect to such assistance.

Acid Mine Pollution Study

S. 602, as reported by the committee, amends section 302 of the act to provide for a study of acid pollution in the region resulting from mining activities and the effects of such pollution, with the objective of developing an appropriate action program for the region.

Widespread water pollution by acid drainage from underground and surface mines is a major problem in six Appalachian States. Acid pollution causes deterioration of water quality, increases costs to water users, prevents water uses of existing large publicly owned reservoirs, such as Tygarts Dam and Reservoir, W. Va., and Loyalhanna Dam and Reservoir, Pa., destroys and impairs fish and other waterlife, and impairs the esthetic and social value of the streams.

Current work concerning the control and abatement of acid mine pollution is being conducted by Federal and State agencies, and by private organizations. Federal agency work includes demonstration projects for mine sealing and prevention of acid formation, monitoring of water quality in streams for identification of pollution, and along with the States and private organizations, research concerning technological aspects of acid formation and treatment of polluted water.

Related work, such as the study of the impact of surface mining, being conducted by the Secretary of the Interior as directed by the Appalachian Regional Development Act of 1965, identifies mine acid pollution as one of the most significant adverse impacts of mining.

The committee feels that the information and findings of the above work provide a partial basis for a comprehensive study to develop a program for the appropriate control, reduction, or elimination of acid mine pollution or the effects of such pollution in the region. The reported bill provides for such a study to be conducted by the Commission, in cooperation with the Secretary of the Interior and other appropriate Federal and State agencies. The study should—

1. Identify sources of acid mine pollution in the region, and their type, area, ownership, and other characteristics.

2. Identify present and potential water using and other activities which are affected by acid mine pollution in the region, and the economic and social costs and effects attributable to such pollution.

3. Identify known methods and costs for the control and abatement of acid mine pollution.

4. Estimate economic and social benefits, public and private, that are likely to result from reducing to various levels of acid mine pollution in the streams of the region, and identify the types of beneficiaries and the relative distribution of the benefits to such beneficiaries.

5. Consider the appropriate roles of Federal, State, and private interests in programs for the control, reduction, or elimination of acid mine pollution in the region and the relative costs which each should bear, including specifically (*a*) the extent, if any to which private interests can bear the cost of such programs within the economics of mining activity, (*b*) the effectiveness of past action by Federal, State, and local units of Government in remedying or controlling the adverse effects of acid mine pollution, (*c*) relationships which might be established among Federal, State, and local units of Government, and with private interests, for implementing and funding such programs, and (*d*) the need for appropriate Federal and State legislation, including adequate enforcement provisions, for such programs.

6. Formulate a program for the appropriate control, reduction or elimination of acid mine pollution in the region, including identification of specific objectives and costs, with due consideration to: (a) the developmental effects of the program, (b) the economic benefits of the program in relation to costs, (c) the social effects of the program, (d) the avoidance of unwarranted financial gain to private interests, and (e) the types and sources of aid required to accomplish the program.

The reported bill requires the Commission to submit a report, including specific recommendations for an appropriate program and the policies under which it should be conducted, to the President for transmittal to the Congress, together with his recommendations, not later than March 31, 1969.

The reported bill contains an authorization of $10 million for two additional fiscal years, of which not to exceed $3 million shall be available for the acid mine pollution study. The committee anticipates that an increasingly larger portion of the authorized funds will be used to support development districts as the major elements of the

research program are completed and more local development districts are created within the States.

Project Approval

The reported bill amends section 303 of the 1965 act to clarify the procedure and responsibilities for processing and evaluation of applications for assistance under the act. Applications must be submitted through the appropriate State member of the Commission and evaluated by him. Only those applications which are approved by a State member as meeting the requirement of the act and submitted by him to the Commission may receive Commission approval. No project is to be approved by the Commission unless it is satisfied that the project will be properly administered, operated, and maintained.

Authorization of Appropriations

Section 401 as amended in the reported bill will authorize appropriations to the President, of not to exceed $220 million for the 2-fiscal-year period ending June 30, 1969, to be available until expended to carry out all the provisions of the act, except sections 105 and 201 which contain their own authorizations.

It is expected by the committee that the funds received by the President will be transferred to the Federal cochairman for disposition in accordance with the provisions of this act.

The committee has adopted this approach to facilitate a consolidated approach to the appropriations process. The committee believes that the President will rely on the Federal cochairman to carry out the effort to secure the appropriations authorized by this legislation. Such a delegation would put an end to the fragmented presentation of Appalachian money requests that have characterized past appropriation procedures relating to this program.

Definition of Appalachian Region

The reported bill amends section 403 of the 1965 act to add the following counties of Mississippi to the region: Alcorn, Benton, Chickasaw, Choctaw, Clay, Itawamba, Kenper, Lee, Lowndes, Marshall, Monroe, Noxubee, Oktibbeha, Pontotoc, Prentiss, Tippah, Tishomingo, Union, Webster, and Winston.

Much of northeastern Mississippi shares common economic, social and physical characteristics with counties in the Appalachian region. This area of Mississippi exhibits many of the same conditions of deprivation, such as, unemployment, educational lag, health needs, public facilities shortages and lack of adequate access which the Appalachian program is seeking to alleviate in the region.

Population growth in the State of Mississippi in the decade of the fifties was entirely offset by net outmigration of 434,000 persons. This parallels the regional experience for the same period, where a net outmigration of over 2 million persons kept population growth down to 1.1 percent.

Per capita income for Mississippi in 1960 was $966 and over 50 percent of the families in the State had incomes under $3,000, while for the region the corresponding figures were $1,405 and slightly over 30 percent.

Educational levels in the Mississippi adult population are lower than those of the region and of the United States. Over 18 percent of the adult population has completed less than 5 years of schooling and only 29.8 percent has completed 12 or more years of schooling. The corresponding figures are 11.6 percent and 32.3 percent in the region, and 8.4 percent and 41.1 percent for the United States, respectively.

Employment in Mississippi underwent the same drastic shifts during 1950–60 as the region. As shown in table 1, there was a shift of far greater proportion than that of the United States out of the extractive industries (agriculture and mining) and an increase in the percentage employed in manufacturing and service industries. However, the ability of the region's, as well as Mississippi's, economy to make opportunities available for those workers released from agricultural and mining employment has been inadequate. This resulted in a decrease of the total number of employed: —1.5 percent for the region, and —4.8 percent for Mississippi, as shown in table 2. This decrease would have been much higher if the high level of net outmigration had not occurred.

TABLE 1.—DISTRIBUTION OF EMPLOYMENT, 1950 AND 1960

	1950			1960		
	Appalachian region	Mississippi	United States	Appalachian region	Mississippi	United States
Agriculture	14.1	42.1	12.4	6.8	20.9	6.7
Mining	9.2	.5	1.6	3.9	.7	1.0
Construction	5.4	5.1	6.1	5.8	6.6	5.9
Manufacturing	27.8	12.6	26.0	32.2	19.2	27.1
Services	45.5	39.7	53.9	51.3	52.6	59.3

TABLE 2.—CHANGES IN EMPLOYMENT, 1950–60

	Appalachian region	Mississippi	Non-Appalachian United States
Agriculture	—52.5	—47.3	—35.6
Mining	—58.6	27.0	—1.0
Construction	5.7	23.0	10.8
Manufacturing	14.2	44.8	20.6
Services	16.3	26.3	28.1
Total	—1.5	—4.8	17.1

Source: Regional figures from PARC report.

Most of the Appalachian region, as presently defined, falls within the Piedmont, Blue Ridge, Appalachian Valley, and Appalachian Plateau provinces. In addition, portions of Alabama, Tennessee, and Kentucky fall within the province defined as "interior low plateau." A portion of that province falls within extreme northeastern Mississippi, within the counties of Alcorn, Prentiss, Tishomingo, Itawamba, Monroe, Lowndes, and Noxubee. This area of Mississippi is identified as the "falls line hills," a province which extends into and across Alabama. The Mississippi portion of the fall line hills, and the adjacent lands of Appalachian Alabama, comprise the eastern half of the Tombigbee watershed. This area also shares common characteristics in forest vegetation with Appalachian Alabama, Georgia, Tennessee, and Ken-

tucky. These counties, therefore, constitute a geographic area with direct physical ties to the rest of Appalachia.

Three communities adjoining the fall line hills in the Tombigbee Valley provide many of the employment opportunities and trade services for the area. They are: Corinth (Alcorn County), Tupelo (Lee County), and Columbus (Lowndes County). The labor sheds for these three centers are practically identical with the boundaries of the Tombigbee watershed. This conclusion is based on commutation patterns developed from the 1960 census employment data. This area includes, in addition to the counties already mentioned, Tippah, Union, Pontotoc, Lee, Chickasaw, Clay, Webster, Oktibbeha, Choctaw, Winston, and Kemper Counties.

The reported bill also adds Benton and Marshall Counties in Mississippi to the region as expanded in S. 602 as passed the Senate. These counties are closely tied by commutation patterns to the counties included in the Senate bill. Their similarity of economic conditions has led them to seek participation in the Tombigbee River Water Management District. They have per capita incomes that are only about 40 percent of the average for the present Appalachian region. In 1960 they had a combined population of about 32,000, each having lost population in the preceding decade. Benton County's population declined over 12 percent and there are no urban places in the county. Marshall County has almost 23 percent of its population in urban areas and it lost almost two and a half percent of its population in the 1950–60 decade. Over 70 percent of Benton's families and 67 percent of Marshall's earned less than $3,000, both more than double the percentage for the present region. Both counties have almost one-fourth of their adults who have not completed 5 years of schooling.

Agriculture is the major employer in both counties and though manufacturing has been growing, its growth has not been sufficient to provide employment for the resident labor force. The total employed in Benton fell by almost one-fourth in the 1950–60 decade and in Marshall by one-seventh. However, unemployment has been low due to outmigration since almost 10,000 people left these counties in 10 years.

The counties have a notable deficiency in service employment and in white collar employment, the areas of the national economy that have shown the greatest strength.

These 20 counties will make up the Tombigbee River Water Management District and as such they will represent an organized economic planning area capable of taking full advantage of the Appalachian program.

Tennessee

The committee bill also adds Cannon County, Tenn., to the region. This county was suggested for the program in 1965 and inadvertently omitted at that time. The economic condition, topography, and location of the county are truly "Appalachian" in character.

Cannon County, Tenn., presents a pattern of distress in excess of the average of the counties which presently constitute the Appalachian region. Its per capita income in 1960 was $937 compared to a regional average of $1,453. Income per member of the labor force was $2,327 compared to a regional average of $4,082 and the value of product sold per farm was $1,644 compared to $3,211. Manufacturing

employment in the county fell by 25.1 percent in the fifties while for the region the decline was 1.9 percent; 55.2 percent of its families earned less than $3,000 compared to a regional average of 30.7 percent. Between 1950 and 1960 the county lost 6.9 percent of its population. None of the county's population is urban (though almost half the regional population is urbanized) but less than half of its people live on farms. Unemployment in the county was less than half the regional average which is probably a reflection of its nonurban structure. This is also reflected in the fact that its proportion of white-collar workers is half the regional average.

Alabama

The bill as reported by the committee also provides for the addition of Lamar and Pickens Counties in Alabama. These counties share the conditions of deprivation as the present Appalachian area of Alabama, and their addition to the region will preserve contiguity between the Appalachian counties of Alabama and Mississippi.

Typically, the people in these counties are considerably poorer than the Appalachian average. Their per capita incomes are roughly two-thirds of the regional average, and the earnings per member of the labor force are $1,500 per year less. These are largely agricultural counties (Lamar has no urban population), and they tend, on the average, to have a smaller population percentage than the region as a whole in the working years. They have about half the regional average in white-collar occupations and about a fourth of that average in manufacturing, despite some manufacturing employment growth in the last decade. These forces have combined to produce significant declines in population.

New York

The committee also recommends the inclusion of Schoharie County, N.Y., which is contiguous to the 13-county area of that State now included in the region. The accompanying tables fully describe the economic condition of the county and clearly indicate that it shares the characteristics of other counties already a part of the region.

SCHOHARIE COUNTY VERSUS APPALACHIA

	Schoharie County	Appalachia
Families with incomes below $3,000	27.9	7.11
Unemployment rate:		
Summer	8.3	5.2
Winter	13.0	
Per capita income	$1,459	$1,771
Rural farm population	24.4	9.1
Commuting labor force	18.4	8.8
Farm family level of living index	83	108
Income per member of labor force	3,942	$4,519

Statistical changes in Schoharie County

Year and population:		Year and number of farms:	
1900	26,854	1875	4,000
1940	20,812	1960	1,100
1950	22,703		
1960	22,615		

INCOME LEVELS OF FARMS

	Number of farms	
	1954	1959
Gross sales:		
Over $10,000	234	383
$2,500 to $9,900	836	481
Part time	450	315

Labor force changes:
8,372 employed.
(−7.2 percent since 1950).

Social security receiving benefits:
1953 1,059
1963 3,200

FAMILY INCOME

	Schoharie County	Upstate New York
Median	$4,592	$6,629
Under $3,000 (percent)	27.9	12.6
Over $10,000 (percent)	7.8	21.2

NOTE.—Schoharie, highest county in New York State—"Under $3,000" and 3d lowest, "Over $10,000."

SCHOOLS

	Schoharie County	Upstate New York
School age population (percent)	+19.5	45
School costs (pupil)	$486	$526

Section 403 of the 1965 act is also amended by the reported bill by striking the language of the Kennedy-Javits amendment since it was executed when the Governor of New York and the Commission reached an agreement on the counties to be included in the region.

In the course of its hearings, the committee was asked to consider the expansion of the region to include additional counties in several States. The committee believes that, in order to protect the integrity of the Appalachian region, any further expansion of its boundaries should be considered only after careful study. The committee bill therefore also amends section 403 of the act to provide that no change in the definition of the region shall hereafter be proposed or considered by the Commission except as directed by resolution of the committee or of the Public Works Committee of the Senate.

Title II—Amendments to the Public Works and Economic Development Act of 1965 (Public Law 89–136)

The Appalachian Commission is referred to as the prototype for regional commissions. The experience gained during the 2 years the program has been in operation has a direct bearing on the development of the regional commissions established pursuant to title V of the Public Works and Economic Development Act of 1965.

Information presented to the committee together with the testimony received on the Appalachian program form a basis for the amendments which the committee has reported. Also, testimony

developed during hearings in 1965 on Public Law 89–136 support the amendments recommended by the committee.

The development of the other regional commissions, five in number, has been unreasonably slow. Much of this delay is the result of the failure to make funds available for administrative expenses and technical assistance. Section 202 of the bill seeks to remedy that situation by adding at the end of section 505(c) language which requires the Secretary of Commerce to allocate to each of the commissions funds available for technical assistance and research. Section 505(c), as it was enacted in 1965, authorized an annual appropriation of $15 million for technical assistance and research and administrative expenses. The committee recommends that not to exceed $2.5 million of these funds be allocated each year to each regional commission to carry out the purposes of section 505. This will insure to each commission the funds it needs to function properly.

This report graphically demonstrates the value of supplemental assistance for Federal grant-in-aid programs. This portion of the Appalachian program has been an outstanding success. The committee is aware of no reason why a similar program cannot be instituted for the other regional commissions at this time. The committee, therefore, recommends a program similar to that contained in section 214 of the Appalachian Act which would authorize funds to each of the commissions to supplement Federal grant-in-aid programs. The committee language authorizes $5 million for fiscal year 1968 and $10 million for fiscal year 1969 for each of the commissions.

It is expected that these funds will be applied in the same manner as they have been applied under the Appalachian Act. Funds are authorized to the Secretary to be available, upon the specific recommendation of the Federal cochairmen of the various commissions for programs and projects approved by the commissions. These programs and projects will be submitted to the responsible Federal agencies for implementation and shall be compatible with the laws applicable to the programs they seek to supplement. The regional commissions involved must approve each program or project in accordance with the criteria in section 504 of the Public Works and Economic Development Act. The commission determination of applicability shall be controlling. All programs and projects for such supplements shall be based on a long-range comprehensive economic plan which is required by the amendment to section 503 contained in section 201 of S. 602.

Funds so authorized may be used to increase the Federal share up to 80 percent of any covered program. To further insure that the States will be preeminent in deciding what projects shall be undertaken, all applications for such supplements must come through the State members of the commissions.

The committee believes that a significant factor in the Appalachian Regional Commission's successful administration of its supplemental program has been the requirement that "public investment made in the region * * * shall be concentrated where there is a significant potential for future growth and where the expected return on public dollars invested will be the greatest." The committee intends the same standard to apply in this program. Pending the completion of the required comprehensive economic plan for each region, the Secretary may provide supplementary funds if he finds that sufficient progress has been made in their development.

It is the committee's earnest hope that the amendment to section 505(c) and the addition of the supplement for grants-in-aid will enable the commissions, which have been established in the Ozarks, Upper Great Lakes, New England, Coastal Plains, and Four Corners regions, to more adequately meet the needs of the people of those regions, and that they will achieve a meaningful level of operations within the near future.

The purpose of these amendments is to reaffirm the congressional intent that cooperative State-Federal programs be established in these regions, in addition to the Appalachian region, so that the benefits of this kind of program may be realized in other areas of regional underdevelopment. The committee looks to the commissions as the means of stimulating their economic rebirth.

Section-by-Section Analysis of S. 602 as Reported to the House of Representatives

TITLE I

Section 101

Short title, citing title I as the Appalachian Regional Development Act Amendments of 1967.

Section 102—Functions of the Commission

This section amends section 102 of the act to eliminate clause (9) concerning advice to the Secretary of Commerce on grants for administrative expenses of local development districts. The amendment is appropriate in view of section 120 of the bill which transfers from the Secretary of Commerce to the Commission the authority to approve such grants.

Section 103—Administrative expenses of the Commission

This section amends section 105 of the act to authorize the appropriation of $1,700,000 to the Commission for the 2-fiscal-year period ending June 30, 1969, including $400,000 for expenses of the Federal cochairman and his staff. Commission expenses are to be shared 50–50 by the Federal Government and the States, except that the Federal Government will bear the full cost of the administrative expenses of the Federal cochairman and his staff.

Section 104—Administrative powers of the Commission

This section amends section 106 of the act to authorize the Commission to lease office space for any term expiring not later than June 30, 1971.

Section 105—Commission Employee Protection

This section adds a new section 109 to title I of the act. It permits Federal agencies to treat service with the Appalachian Regional Commission, or with any regional commission established pursuant to the Public Works and Economic Development Act of 1965, as Federal service, in the case of an individual who was a Federal employee immediately prior to such commission service but who returns to Federal employment within 6 months after completing such commission service.

Section 106—Appalachian Highway Program

This section amends section 201 of the act as follows:

(1) Authorizes the appropriation of funds to the President for the highway program. Transfers to the Commission all other functions of the Secretary of Commerce not transferred to the Secretary of Transportation under the Department of Transportation Act. The Secretary of Transportation will continue to carry out the program.

(2) Provides an authorization of $715 million for the 4-fiscal-year period ending June 30, 1971. This increases the total authorization for the highway program from $840 million to $1,015 million in order to provide for the construction of an east-west corridor in New York State and a connecting corridor in Pennsylvania, and an additional $35 million for the access road program.

(3) Increases the construction mileage limitation for the development highway system from 2,350 miles to 2,700 miles, and the access road mileage limitation from 1,000 to 1,200 miles.

(4) Permits States to give preference to indigenous "materials and products" in highway construction. Present authority permits preference for indigenous "mineral resource materials."

(5) Permits the Appalachian States to construct, with their own funds, development highway projects which meet Commission criteria under regular Federal aid highway procedures, subject to possible Federal reimbursement from future appropriations. This provision may not be used to increase the total construction authorization.

Section 107—Demonstration health projects

This section amends section 202 of the act to authorize $50 million for the demonstration health program for the 2-fiscal-year period ending June 30, 1969. This is in addition to the $23.5 million previously appropriated, which will continue to be available until expended for the purposes of this section.

The amendment broadens section 202 to authorize the use of funds for the acquisition of privately owned facilities not operated for profit where needed to provide an integrated system of health services. Funds also will be available to support the Commission's Advisory Health Committee and to provide 75-percent planning grants for developing and evaluating demonstration health projects.

Operating deficit grants will no longer be limited to facilities constructed with section 202 funds. Funds may be used for an existing hospital or any other health facility which is a component of a demonstration health project, including a facility constructed under title I of the Public Works and Economic Development Act. Operating grants may be made only for facilities which are publicly owned or are owned by a nonprofit organization and not operated for profit. Projects must be conducted under good management practices.

Construction or equipment grants may be funded either entirely from section 202 or from a combination of 202 grants and grants from other programs such as the Hill-Burton, the mental retardation facilities, and the community mental health programs, and will be made in accordance with the applicable provisions of such acts.

Section 108—Land stabilization, conservation, and erosion control

This section continues the program authorized by section 203 of the act and provides $19 million for the 2-fiscal-year period ending June 30, 1969.

Section 109—Timber development organizations

This section continues the technical assistance and loan programs authorized under section 204 of the act and authorizes $1 million for the 2-fiscal-year period ending June 30, 1969.

Section 110—Mining area restoration

This section amends section 205 of the act to authorize $30 million for the 2-fiscal-year period ending June 20, 1969. The amendment permits Federal participation in reasonable project planning and engineering costs and permits the States to apply costs incurred for land acquisition toward their non-Federal share of project costs. The program for sealing and filling voids in abandoned coal mines is broadened to include abandoned oil and gas wells, and the strip and surface mine reclamation program is broadened to authorize the reclamation of areas covered with waste from surface and subsurface mining activities. The amendment also eliminates the present authority for expanding and accelerating fish and wildlife restoration projects.

Section 111—Water resources survey

This section amends section 206 of the act to authorize $2 million for the 2-fiscal-year period ending June 30, 1969, to complete the water resources survey of the region.

Section 112—Assistance for planning and other preliminary expenses of proposed housing projects under section 221 of the National Housing Act

This section adds a new section 207 to title II of the act. It provides advances, loans, and grants, for planning and technical assistance to stimulate the use of the insured mortgage program provided by section 221 of the National Housing Act in areas of the region determined by the Commission to have significant potential for future growth.

A revolving fund is established and the Secretary of Housing and Urban Development is authorized to make loans from the fund for up to 80 percent of the preliminary costs of planning a project and of obtaining an insured mortgage under section 221 of the National Housing Act, including such cost as preliminary surveys and analyses of market needs, preliminary site engineering and architectural fees, site options, FHA and FNMA fees, and construction loan fees and discounts. Loans may be made without interest, or at any market or below-market interest rate authorized for a mortgage insured under section 221. The Secretary can waive the repayment of all or any part of a loan which he finds the borrower is unable to recover from the proceeds of a mortgage insured under section 221.

Section 207 also authorizes technical assistance grants from the revolving fund for up to 80 percent of the administrative expenses, not recoverable under a section 221 insured mortgage, which are incurred incident to planning a project and obtaining an insured mortgage, such as the preparation of applications to FHA and FNMA, coordination, and management activities.

Five million dollars is authorized to carry out this section.

Section 113—Vocational education facilities

This section amends section 211 of the act to authorize $26 million for the 2-fiscal-year period ending June 30, 1969. The amendment makes these funds available for equipping existing facilities as well as the construction and equipment of new facilities.

Section 114—Sewage treatment works

This section amends section 212 of the act providing assistance for sewage treatment works, to authorize $6 million for the 2-fiscal-year period ending June 30, 1969.

Section 115—Amendments to National Housing Act of 1954

This section amends section 701 of the Housing Act of 1954 to make local development districts, certified to the Commission by the Governors of the States in which they are located, eligible for 75-percent grants for comprehensive planning in their areas, and for planning Appalachian region programs.

Section 116—Supplements to Federal grant-in-aid programs

This section amends section 214 of the act to authorize $71 million for the 2-fiscal-year period ending June 30, 1969. The President is authorized to provide supplemental grant funds for Federal grant-in-aid programs assisting in the construction or equipment of facilities or the acquisition of land, enacted on or before August 1, 1967. The amendment also adds a new provision designed to eliminate unnecessary duplication of requirements for documentation in connection with the approval of basic and supplemental grants. Where a grant applicant is required to submit specific documentation to the head of a Federal department or agency administering a basic grant-in-aid program, such documentation will be accepted by the Federal Cochairman in considering a supplemental grant.

Section 117—Maintenance of effort

This section amends section 221 of the act to make it clear that a State's expenditures for participation in the Interstate System and expenditures of local funds are not to be considered in determining compliance with section 221.

Section 118—Program implementation

This section amends section 223 of the act to redefine the responsibilities of the Commission and the Federal departments and agencies. The amendment provides that, with respect to applying Appalachian Act program criteria, the Commission's judgment shall be final and not subject to further review by the Federal departments and agencies. However, no program or project is to be implemented until the application and plans related thereto have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this act. The technical evaluation of projects and the actual accomplishment of programs and projects continues to be the responsibility of the Federal departments and agencies.

Section 119—Program development criteria

This section amends section 224 of the act to conform to the redefined role of the Commission in approving rather than recommending projects, and to make it clear that no financial assistance under the act may be used to assist establishments relocating from one area to another.

Section 120—Grants for administrative expenses of local development districts and for research and demonstration projects

This section amends section 302 of the act to authorize the President to make grants to the Commission for the administrative expenses

of local development districts and for investigation, research, studies, technical assistance, and demonstration projects and for training programs, which will further the purposes of the act. The Commission and all recipients of Federal assistance are required to maintain adequate records with respect to such assistance and to make them available for Federal audit.

The amendment also provides for the Commission to make a study in cooperation with the Department of the Interior and other Federal and State agencies, of acid pollution in the region resulting from mining activities and the effects of such pollution, with the objective of developing a program for the appropriate control, reduction, or elimination of acid mine pollution in the region or the effects of such pollution. The Commission is required to submit a report, including specific recommendations for the program and the policies under which it should be conducted, to the President for transmittal to the Congress together with his recommendations, not later than March 31, 1969.

Ten million dollars is authorized to carry out this section for the 2 fiscal year period ending June 30, 1969, of which not to exceed $3 million is to be available for the acid mine pollution study.

Section 121—Project approval

This section amends section 303 of the act to clarify the procedure and responsibilities for processing and evaluation of applications for assistance under the act. Applications must be submitted through the appropriate State member of the Commission and evaluated by him. Only those applications which are approved by a State member as meeting the requirement of the act and submitted by him to the Commission may receive Commission approval.

The amendment also includes a provision that the Commission shall not approve a project unless it is satisfied that the project will be properly administered, operated, and maintained.

Section 122—Authorization of appropriations

This section amends section 401 of the act to authorize appropriations to the President of not to exceed $220 million for the 2 fiscal year period ending June 30, 1969, to be available until expended, to carry out the respective provisions of the act, excepting sections 105 and 201 which contain their own authorizations.

Section 123—Definition of Appalachian region

This section amends section 403 of the act to redefine the region by adding to counties in Alabama, 20 counties in Mississippi, 14 counties in New York (including 13 counties added to the region by the Commission in 1965 pursuant to sec. 403), and one county in Tennessee.

The amendment also includes language which prohibits the Commission from proposing or considering any further changes in the definition of the region except at the direction of the Committee on Public Works of the House or of the Senate.

Title II—Amendments to the Public Works and Economic Development Act of 1965

Section 201—Functions of Commission

This section amends section 503 of the Public Works and Economic Development Act of 1965 by adding to the functions of each regional commission established under such act the responsibility for developing

a comprehensive long-range economic plan approved by the Secretary of Commerce.

Section 202—Regional technical and planning assistance

This section amends section 505 of the Public Works and Economic Development Act of 1965 to provide that the Secretary of Commerce will allocate $2½ million for each fiscal year to each regional commission established under the act for the purposes of the section, including grants to each commission for investigations, studies, plans, and research, and for administrative expenses of each commission.

Section 203—Supplements to Federal grant-in-aid programs

This section amends title V of the Public Works and Economic Development Act of 1965 by adding a new supplemental grant program for the regional commissions established under that title. The Secretary of Commerce is authorized to implement the program for each regional commission which makes reasonable progress towards the development of its comprehensive economic plan. Supplemental grants may be used to increase the Federal share of the cost of projects recommended by the regional commission to a maximum of 80 percent thereof. These grants may be made for Federal grant-in-aid programs in existence on or before August 1, 1967, assisting in the acquisition of land or the construction or equipment of facilities. Five million dollars is authorized to be appropriated for each region for the period ending June 30, 1968, and an additional $10 million for each region for the fiscal year ending June 30, 1969.

Section 204—Administration, operation, and maintenance

This section amends title VI of the Public Works and Economic Development Act of 1965 by adding a new section which provides that no assistance shall be approved under the act unless the responsible Federal official is satisfied that the project will be properly and efficiently administered, operated, and maintained.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

AN ACT To provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Appalachian Regional Development Act of 1965".

FINDINGS AND STATEMENT OF PURPOSE

SEC. 2. The Congress hereby finds and declares that the Appalachian region of the United States, while abundant in natural resources and rich in potential, lags behind the rest of the Nation in its economic growth and that its people have not shared properly in the Nation's prosperity. The region's uneven past development, with its historical reliance on a few basic industries and a marginal agriculture, has failed to provide the economic base that is a vital prerequisite for vigorous, self-sustaining growth. The State and local governments and the people of the region understand their problems and have been working and will continue to work purposefully toward their solution. The Congress recognizes the comprehensive report of the President's Appalachian Regional Commission documenting these findings and concludes that regionwide development is feasible, desirable, and urgently needed. It is, therefore, the purpose of this Act to assist the region in meeting its special problems, to promote its economic development, and to establish a framework for joint Federal and State efforts toward providing the basic facilities essential to its growth and attacking its common problems and meeting its common needs on a coordinated and concerted regional basis. The public investments made in the region under this Act shall be concentrated in areas where there is a significant potential for future growth, and where the expected return on public dollars invested will be the greatest. The States will be responsible for recommending local and State projects, within their borders, which will receive assistance under this Act. As the region obtains the needed physical and transportation facilities and develops its human resources, the Congress expects that the region will generate a diversified industry, and that the region will then be able to support itself, through the workings of a strengthened free enterprise economy.

TITLE I—THE APPALACHIAN REGIONAL COMMISSION

MEMBERSHIP AND VOTING

SEC. 101. (a) There is hereby established an Appalachian Regional Commission (hereinafter referred to as the "Commission") which shall be composed of one Federal member, hereinafter referred to as the "Federal Cochairman," appointed by the President by and with the advice and consent of the Senate, and one member from each participating State in the Appalachian region. The Federal Cochairman shall be one of the two Cochairmen of the Commission. Each State member may be the Governor, or his designee, or such other person as may be provided by the law of the State which he represents. The State members of the Commission shall elect a Cochairman of the Commission from among their number.

(b) Except as provided in section 105, decisions by the Commission shall require the affirmative vote of the Federal Cochairman and of a majority of the State members (exclusive of members representing States delinquent under section 105). In matters coming before the Commission, the Federal Cochairman shall, to the extent practicable, consult with the Federal departments and agencies having an interest in the subject matter.

(c) Each State member shall have an alternate, appointed by the Governor or as otherwise may be provided by the law of the State which he represents. The President, by and with the advice and consent of the Senate, shall appoint an alternate for the Federal Cochairman. An alternate shall vote in the event of the absence, death, disability, removal, or resignation of the State or Federal representative for which he is an alternate.

(d) The Federal Cochairman shall be compensated by the Federal Government at level IV of the Federal Executive Salary Schedule of the Federal Executive Salary Act of 1964. His alternate shall be compensated by the Federal Government at not to exceed the maximum scheduled rate for grade GS–18 of the Classification Act of 1949, as amended, and when not actively serving as an alternate for the Federal Cochairman shall perform such functions and duties as are delegated to him by the Federal Cochairman. Each State member and his alternate shall be compensated by the State which they represent at the rate established by the law of such State.

FUNCTIONS OF THE COMMISSION

SEC. 102. In carrying out the purposes of this Act, the Commission shall—

(1) develop, on a continuing basis, comprehensive and coordinated plans and programs and establish priorities thereunder, giving due consideration to other Federal, State, and local planning in the region;

(2) conduct and sponsor investigations, research, and studies, including an inventory and analysis of the resources of the region, and, in cooperation with Federal, State, and local agencies, sponsor demonstration projects designed to foster regional productivity and growth;

(3) review and study, in cooperation with the agency involved, Federal, State, and local public and private programs and, where

appropriate, recommend modifications or additions which will increase their effectiveness in the region;

(4) formulate and recommend, where appropriate, interstate compacts and other forms of interstate cooperation, and work with State and local agencies in developing appropriate model legislation;

(5) encourage the formation of local development districts;

(6) encourage private investment in industrial, commercial, and recreational projects;

(7) serve as a focal point and coordinating unit for Appalachian programs; *and*

(8) provide a forum for consideration of problems of the region and proposed solutions and establish and utilize, as appropriate, citizens and special advisory councils and public conferences[; and].

[(9) advise the Secretary of Commerce on applications for grants for administrative expenses to local development districts.]

RECOMMENDATIONS

SEC. 103. The Commission may, from time to time, make recommendations to the President and to the State Governors and appropriate local officials with respect to—

(1) the expenditure of funds by Federal, State, and local departments and agencies in the region in the fields of natural resources, agriculture, education, training, health and welfare, and other fields related to the purposes of this Act; and

(2) such additional Federal, State, and local legislation or administrative actions as the Commission deems necessary to further the purposes of this Act.

LIAISON BETWEEN FEDERAL GOVERNMENT AND THE COMMISSION

SEC. 104. The President shall provide effective and continuing liaison between the Federal Government and the Commission and a coordinated review within the Federal Government of the plans and recommendations submitted by the Commission pursuant to sections 102 and 103.

ADMINISTRATIVE EXPENSES OF THE COMMISSION

SEC. 105. (a) For the period ending on [June 30 of the second full Federal fiscal year following the date of enactment of this Act] *June 30, 1967*, the administrative expenses of the Commission shall be paid by the Federal Government. Thereafter, such expenses shall be paid [equally] *50 per centum* by the Federal Government and *50 per centum by* the States in the region, *except that the expenses of the Federal Cochairman, his alternate, and his staff shall be paid solely by the Federal Government.* The share to be paid by each State shall be determined by the Commission. The Federal Cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

[(b) Not to exceed $2,200,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.]

(b) To carry out this section, there is hereby authorized to be appropriated to the Commission, to be available until expended, not to exceed $1,700,000 for the two-fiscal-year period ending June 30, 1969. Not to exceed $400,000 of such authorization shall be available for the expenses of the Federal Cochairman, his alternate, and his staff. Unexpended balances of appropriations under the authorization in this section prior to amendment by the Appalachian Regional Development Act Amendments of 1967 shall remain available for the purposes of this section, as amended, until expended.

ADMINISTRATIVE POWERS OF COMMISSION

SEC. 106. To carry out its duties under this Act, the Commission is authorized to—

(1) adopt, amend, and repeal bylaws, rules, and regulations governing the conduct of its business and the performance of its functions.

(2) appoint and fix the compensation of an executive director and such other personnel as may be necessary to enable the Commission to carry out its functions, except that such compensation shall not exceed the salary of the alternate to the Federal Cochairman on the Commission as provided in section 101. No member, alternate, officer, or employee of the Commission, other than the Federal Cochairman on the Commission, his staff, and his alternate and Federal employees detailed to the Commission under paragraph (3) shall be deemed a Federal employee for any purpose.

(3) request the head of any Federal department or agency (who is hereby so authorized) to detail to temporary duty with the Commission such personnel within his administrative jurisdiction as the Commission may need for carrying out its functions, each such detail to be without loss of seniority, pay, or other employee status.

(4) arrange for the services of personnel from any State or local government or any subdivision or agency thereof, or any intergovernmental agency.

(5) make arrangements, including contracts, with any participating State government for inclusion in a suitable retirement and employee benefit system of such of its personnel as may not be eligible for, or continue in, another governmental retirement or employee benefit system, or otherwise provide for such coverage of its personnel. The Civil Service Commission of the United States is authorized to contract with the Commission for continued coverage of Commission employees, who at date of Commission employment are Federal employees, in the retirement program and other employee benefit programs of the Federal Government.

(6) accept, use, and dispose of gifts or donations of services or property, real, personal, or mixed, tangible or intangible.

(7) enter into and perform such contracts, leases (*including, notwithstanding any other provision of law, the lease of office space for any term expiring no later than June 30, 1971*), cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with

any department, agency, or instrumentality of the United States (*which is hereby so authorized to the extent not otherwise prohibited by law*) or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation.

(8) maintain a temporary office in the District of Columbia and establish a permanent office at such a central and appropriate location as it may select and field offices at such other places as it may deem appropriate.

(9) take such other actions and incur such other expenses as may be necessary or appropriate.

INFORMATION

SEC. 107. In order to obtain information needed to carry out its duties, the Commission shall—

(1) hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute so much of its proceedings and reports thereon as it may deem advisable, a Cochairman of the Commission, or any member of the Commission designated by the Commission for the purpose, being hereby authorized to administer oaths when it is determined by the Commission that testimony shall be taken or evidence received under oath;

(2) arrange for the head of any Federal, State, or local department or agency (who is hereby so authorized to the extent not otherwise prohibited by law) to furnish to the Commission such information as may be available to or procurable by such department or agency; and

(3) keep accurate and complete records of its doings and transactions which shall be made available for public inspection, and for the purpose of audit and examination by the Comptroller General or his duly authorized representatives.

PERSONAL FINANCIAL INTERESTS

SEC. 108. (a) Except as permitted by subsection (b) hereof, no State member or alternate and no officer or employee of the Commission shall participate personally and substantially as member, alternate, officer, or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in any proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter in which, to his knowledge, he, his spouse, minor child, partner, organization (other than a State or political subdivision thereof) in which he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest. Any person who shall violate the provisions of this subsection shall be fined not more than $10,000, or imprisoned not more than two years, or both.

(b) Subsection (a) hereof shall not apply if the State member, alternate, officer, or employee first advises the Commission of the nature and circumstances of the proceeding, application, request for

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a ruling or other determination, contract, claim, controversy, or other particular matter and makes full disclosure of the financial interest and receives in advance a written determination made by the Commission that the interest is not so substantial as to be deemed likely to affect the integrity of the services which the Commission may expect from such State member, alternate, officer, or employee.

(c) No State member or alternate shall receive any salary, or any contribution to or supplementation of salary for his services on the Commission from any source other than his State. No person detailed to serve the Commission under authority of paragraph (4) of section 106 shall receive any salary or any contribution to or supplementation of salary for his services on the Commission from any source other than the State, local, or intergovernmental department or agency from which he was detailed or from the Commission. Any person who shall violate the provisions of this subsection shall be fined not more than $5,000, or imprisoned not more than one year, or both.

(d) Notwithstanding any other subsection of this section, the Federal Cochairman and his alternate on the Commission and any Federal officers or employees detailed to duty with it pursuant to paragraph (3) of section 106 shall not be subject to any such subsection but shall remain subject to sections 202 through 209 of title 18, United States Code.

(e) The Commission may, in its discretion, declare void and rescind any contract, loan, or grant of or by the Commission in relation to which it finds that there has been a violation of subsection (a) or (c) of this section, or any of the provisions of sections 202 through 209, title 18, United States Code.

COMMISSION EMPLOYEE PROTECTIONS

SEC. 109. Section 5334(a) of title 5, United States Code, is amended by adding at the end thereof the following new sentence: "For the purpose of this subsection, an individual employed by the Appalachian Regional Commission under section 106(a) of the Appalachian Regional Development Act of 1965, or by a regional commission established pursuant to section 502 of the Public Works and Economic Development Act of 1965, under section 506(2) of such Act, who was a Federal employee immediately prior to such employment by a commission and within six months after separation from such employment is employed in a position to which this subchapter applies, shall be treated as if transferred from a position in the executive branch to which this subchapter does not apply."

TITLE II—SPECIAL APPALACHIAN PROGRAMS

PART A—NEW PROGRAMS

APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

SEC. 201. (a) The Secretary of Transportation is authorized to assist in the construction of an Appalachian development highway system serving the Appalachian region (the length of which shall not exceed two thousand three hundred and fifty miles. In addition thereto, there are authorized to be constructed not in excess of one thousand miles of local access roads, that will serve specific recreational, residential, commercial, industrial, or other like facilities or will facilitate a school consolidation program). The system, in conjunction with the

Interstate System and other Federal-aid highways in the region will provide a highway system which will open up an area or areas with a developmental potential where commerce and communication have been inhibited by lack of adequate access. The provisions of title 23, that are applicable to Federal-aid primary highways, and which the Secretary of Transportation determines are not inconsistent with this Act, shall apply to the Appalachian development highway system, and the local access roads.

[(b) As soon as feasible, the Commission shall submit to the Secretary of Commerce its recommendations with respect to (1) the general corridor location and termini of the development highways, (2) the designation of local access roads to be constructed, (3) priorities for construction of the local access roads and of the major segments of the development highways, and (4) other criteria for the program authorized by this section. Before any State member participates in or votes on such recommendations, he shall have obtained the recommendations of the State highway department of the State which he represents.

[(c) Such recommendations as are approved by the Secretary of Commerce shall be transmitted to the Secretary of Transportation for his approval. In no event shall the Secretary of Transportation approve any recommendations for any construction which would require for its completion the expenditure of Federal funds (other than funds available under title 23) in excess of the appropriation authorizations in subsection (g). On its completion each development highway not already on the Federal-aid primary system shall be added to such system and shall be required to be maintained by the State.

[(d) In the construction of highways and roads authorized under this section, the States may give special preference to the use of mineral resource materials indigenous to the Appalachian region.

[(e) For the purposes of research and development in the use of coal and coal products in highway construction and maintenance, the Secretary of Transportation is authorized to require each participating State, to the maximum extent possible, to use coal derivatives in the construction of not to exceed 10 per centum of the roads authorized under this Act.

[(f) Federal assistance to any construction project under this section shall not exceed 50 per centum of the costs of such project, unless the Secretary of Commerce and the Secretary of Transportation determine, pursuant to the recommendation of the Commission, that assistance in excess of such percentage is required in furtherance of the purposes of this Act, but in no event shall such Federal assistance exceed 70 per centum of such costs.

[(g) To carry out this section, there is hereby authorized to be appropriated $840,000,000 to the Secretary of Commerce, who shall transfer funds to the Secretary of Transportation for administration of projects approved by both Secretaries.]

Sec. 201. (a) In order to provide a highway system which, in conjunction with the Interstate System and other Federal-aid highways in the Appalachian region, will open up an area or areas with a developmental potential where commerce and communication have been inhibited by lack of adequate access, the Secretary of Transportation (hereafter in this section referred to as the "Secretary") is authorized to assist in the construction of an Appalachian development highway system and local access roads serving the Appalachian region. The provisions of title 23, United

States Code, that are applicable to the construction and maintenance of Federal-aid primary and secondary highways, and which the Secretary determines are not inconsistent with this Act, shall apply, respectively, to the development highway system and the local access roads. Construction on the development highway system shall not exceed two thousand seven hundred miles. Construction of local access roads shall not exceed one thousand two hundred miles that will serve specific recreational, residential, educational, commercial, industrial, or other like facilities or will facilitate a school consolidation program.

(b) The Commission shall transmit to the Secretary its designations of (1) the general corridor location and termini of the development highways, (2) local access roads to be constructed, (3) priorities for the construction of segments of the development highways, and (4) other criteria for the program authorized by this section. Before any State member participates in or votes on such designations, he shall have obtained the recommendations of the State highway department of the State which he represents.

(c) In no event shall the Secretary assist in any construction (including right-of-way acquisition) which would require for its completion the expenditure of Federal funds (other than funds available under title 23, United States Code) in excess of the appropriations authorization in subsection (g). On its completion each development highway not already on the Federal-aid primary system shall be added to such system and each development highway and local access road shall be required to be maintained by the State as provided for Federal-aid highways in title 23, United States Code.

(d) In the construction of highways and roads authorized under this section, the States may give special preference to the use of materials and products indigenous to the Appalachian region.

(e) For the purposes of research and development in the use of coal and coal products in highway construction and maintenance, the Secretary is authorized to require each participating State, to the maximum extent possible, to use coal derivatives in the construction of not to exceed 10 per centum of the roads authorized under this Act.

(f) Federal assistance to any construction project under this section shall not exceed 50 per centum of the costs of such project, unless the Commission determines that assistance in excess of such percentage is required in furtherance of the purposes of this Act, but in no event shall such Federal assistance exceed 70 per centum of such costs.

(g) To carry out this section, there is hereby authorized to be appropriated to the President, to be available until expended, $715,000,000 for the four-fiscal-year period ending June 30, 1971.

(h)(1) When a participating State proceeds to construct a segment of a development highway without the aid of Federal funds, in accordance with all procedures and requirements applicable to the construction of segments of Appalachian development highways with such funds, except insofar as such procedures and requirements limit a State to the construction of projects for which Federal funds have previously been appropriated, the Secretary, upon application by the State and with the approval of the Commission, is authorized to pay to the State the Federal share not to exceed 70 per centum of the costs of the construction of such segment, from any sums appropriated and allocated to such State to carry out this section.

(2) This subsection shall not be construed as a commitment or obligation on the part of the United States to provide funds for segments of

development highways constructed under this subsection, and shall not increase the limitation on construction in subsection (c).

[DEMONSTRATION HEALTH FACILITIES

[SEC. 202. (a) In order to demonstrate the value of adequate health and medical facilities to the economic development of the region, the Secretary of Health, Education, and Welfare is authorized to make grants for the construction, equipment, and operation of multicounty demonstration health facilities, including hospitals, regional health diagnostic and treatment centers, and other facilities necessary to health. Grants for such construction (including initial equipment) shall be made in accordance with the applicable provisions of title VI of the Public Health Service Act (42 U.S.C. 291–291z) and the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), without regard to any provisions therein relating to appropriation authorization ceiling or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

[(b) No grant under this section for construction (including initial equipment) shall exceed 80 per centum of the cost of the project. Not to exceed $41,000,000 of the funds authorized in section 401 shall be available for construction grants under this section.

[(c) Grants under this section for operation (including equipment other than initial equipment) of a project may be made up to 100 per centum of the costs thereof for the two-year period beginning on the first day such project is in operation as a health facility. For the next three years of operations such grants shall not exceed 50 per centum of such costs. No grants for operation of a project shall be made after five years following the commencement of such operations. Not to exceed $28,000,000 of the funds authorized in section 401 of this Act shall be available for operating grants under this section.]

DEMONSTRATION HEALTH PROJECTS

SEC. 202. (a) In order to demonstrate the value of adequate health facilities and services to the economic development of the region, the Secretary of Health, Education, and Welfare is authorized to make grants for the planning, construction, equipment, and operation of multicounty demonstration health projects, including hospitals, regional health diagnostic and treatment centers, and other facilities and services necessary to health. Grants for such construction (including the acquisition of privately owned facilities not operated for profit and initial equipment) shall be made in accordance with the applicable provisions of title VI of the Public Health Service Act (42 U.S.C. 291–291o), the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), and other laws authorizing grants for the construction of health-related facilities, without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act

and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

(b) No grant for the construction or equipment of any component of a demonstration health project shall exceed 80 per centum of such costs. The Federal contribution may be provided entirely from funds authorized under this section or in combination with funds provided under other Federal grant-in-aid programs for the construction or equipment of health-related facilities. Notwithstanding any provision of law limiting the Federal share in such other programs, funds authorized under this section may be used to increase Federal grants for component facilities of a demonstration health project to a maximum of 80 per centum of the costs of such facilities.

(c) Grants under this section for operation (including initial operating funds and operating deficits comprising among other items the costs of attracting, training, and retaining qualified personnel) of a demonstration health project, whether or not constructed with funds authorized by this section, may be made for up to 100 per centum of the costs thereof for the two-year period beginning, for each component facility or service assisted under any such operating grant, on the first day that such facility or service is in operation as a part of the project. For the next three years of operations such grants shall not exceed 50 per centum of such costs. No grant for operation of a demonstration health project shall be made unless the facility is publicly owned, or owned by a public or private nonprofit organization, and is not operated for profit. No grants for operation of a demonstration health project shall be made after five years following the commencement of the initial grant for operation of the project. No such grants shall be made unless the Secretary of Health, Education, and Welfare is satisfied that the operation of the project will be conducted under efficient management practices designed to obviate operating deficits. Notwithstanding section 104 of the Public Works and Economic Development Act of 1965 (79 Stat. 554), a health-related facility constructed under title I of that Act may be a component of a demonstration health project eligible for operating grant assistance under this section.

(d) The Secretary of Health, Education, and Welfare is authorized to provide funds to the Commission for the support of its Health Advisory Committee and to make grants for expenses of planning necessary for the development and operation of demonstration health projects for the region. The amount of any such grant shall not exceed 75 per centum of such expenses.

(e) Not to exceed $50,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section.

LAND STABILIZATION, CONSERVATION, AND EROSION CONTROL

SEC. 203. (a) In order to provide for the control and prevention of erosion and sediment damages in the Appalachian region and to promote the conservation and development of the soil and water resources of the region, the Secretary of Agriculture is authorized to enter into agreements of not more than ten years with landowners, operators, and occupiers, individually or collectively, in the Appalachian region determined by him to have control for the period of the agreement of the lands described therein, providing for land stabilization, erosion and sediment control, and reclamation through changes in land use, and conservation treatment including the establishment of practices

and measures for the conservation and development of soil, water, woodland, wildlife, and recreation resources.

(b) The landowner, operator, or occupier shall furnish to the Secretary of Agriculture a conservation and development plan setting forth the appropriate and safe land uses and conservation treatment mutually agreed by the Secretary and the landowner operator, or occupier to be needed on the lands for which the plan was prepared.

(c) Such plan shall be incorporated in an agreement under which the landowner, operator, or occupier shall agree with the Secretary of Agriculture to carry out the land uses and conservation treatment provided for in such plan on the lands described in the agreement in accordance with the terms and conditions thereof.

(d) In return for such agreement by the landowner, operator, or occupier the Secretary of Agriculture shall be authorized to furnish financial and other assistance to such landowner, operator, or occupier in such amounts and subject to such conditions as the Secretary determines are appropriate and in the public interest for the carrying out of the land uses and conservation treatment set forth in the agreement: *Provided*, That grants hereunder shall not exceed 80 per centum of the cost of carrying out such land uses and conservation treatment on fifty acres of land occupied by such owner, operator, or occupier.

(e) The Secretary of Agriculture may terminate any agreement with a landowner, operator, or occupier by mutual agreement if the Secretary determines that such termination would be in the public interest, and may agree to such modification of agreements previously entered into hereunder as he deems desirable to carry out the purposes of this section or to facilitate the practical administration of the program authorized herein.

(f) Notwithstanding any other provision of law, the Secretary of Agriculture, to the extent he deems it desirable to carry out the purposes of this section, may provide in any agreement hereunder for (1) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of such crop; or (2) surrender of any such history and allotments.

(g) The Secretary of Agriculture shall be authorized to issue such rules and regulations as he determines are necessary to carry out the provisions of this section.

(h) In carrying out the provisions of this section, the Secretary of Agriculture shall utilize the services of the Soil Conservation Service, and the State and local committees provided for in section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590(b)), and is authorized to utilize the facilities, services, and authorities of the Commodity Credit Corporation. The Corporation shall not make any expenditures to carry out the provisions of this subsection unless funds specifically appropriated for such purpose have been transferred to it.

[(i) Not to exceed $17,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.]

(i) Not to exceed $19,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section.

TIMBER DEVELOPMENT ORGANIZATIONS

SEC. 204. (a) In order that the region shall more fully benefit from the timber stands that are one of its prime assets, the Secretary of Agriculture is authorized to—

(1) provide technical assistance in the organization and operation, under State law, of private timber development organizations having as their objective the carrying out of timber development programs to improve timber productivity and quality, and increase returns to landowners through establishment of private nonprofit corporations, which on a self-supporting basis may provide (A) continuity of management, good cutting practices, and marketing services, (B) physical consolidation of small holdings or administrative consolidation for efficient management under long-term agreement, (C) management of forest lands, donated to the timber development organizations for demonstrating good forest management, on a profitable and taxpaying basis, and (D) establishment of a permanent fund for perpetuation of the work of the corporations to be composed of donations, real or personal, for educational purposes.

(2) provide not more than one-half of the initial capital requirements of such timber development organizations through loans under the applicable provisions of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1926 et seq.). Such loans shall not be used for the construction or acquisition of facilities for manufacturing, processing, or marketing forest products, or for physical consolidation of small timber holdings authorized by (1)(B) above except for the establishment of demonstration units.

[(b) Not to exceed $5,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.]

(b) Not to exceed $1,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section.

MINING AREA RESTORATION

SEC. 205. (a) In order to further the economic development of the region by rehabilitating areas presently damaged by deleterious mining practices, the Secretary of the Interior is authorized to—

(1) make financial contributions to States in the region to seal and fill voids in abandoned coal mines *and abandoned oil and gas wells*, and to reclaim and rehabilitate [existing] *lands affected by the* strip and surface [mine areas] *mining and processing of coal and other minerals, including lands affected by waste piles*, in accordance with provisions of the Act of July 15, 1955 (30 U.S.C. 571 et seq.), to the extent applicable, without regard to section 2(b) thereof (30 U.S.C. 572(b)) or to any provisions therein limiting assistance to anthracite coal formation, or to the Commonwealth of Pennsylvania. Grants under this paragraph shall be made wholly out of funds specifically appropriated for the purposes of carrying out this Act.

(2) plan and execute projects for extinguishing underground and outcrop mine fires in the region in accordance with the provisions of the Act of August 31, 1954 (30 U.S.C. 551 et seq.),

without regard to any provisions therein relating to annual appropriation authorization ceilings. Grants under this paragraph shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act.

[(3) expand and accelerate fish and wildlife restoration projects in the region in accordance with the provisions of the Act of September 2, 1937 (16 U.S.C. 669 et seq.), and the Act of August 9, 1950 (16 U.S.C. 777 et seq.), without regard to any provisions therein relating to apportionments among the States and to limitations on the availability of funds. The expenses of projects under this paragraph shall be paid solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the apportionments among the States pursuant to any other provisions of law.]

(b) For the fiscal years [1966 and 1967] *1966, 1967, 1968, and 1969*, notwithstanding any other provision of law, the Federal share of mining area restoration projects, *including reasonable planning and engineering costs*, carried out under subsection (a) of this section and conducted on lands other than federally owned lands shall not exceed 75 per centum of the total cost thereof. *The non-Federal share of the total cost of any project carried out under subsection (a) of this section may include reasonable land acquisition costs incurred in acquiring land necessary for the purposes of implementing such project, if such land is acquired after the date of enactment of the Appalachian Regional Development Act Amendments of 1967.*

(c) The Congress hereby declares its intent to provide for a study of a comprehensive, long-range program for the purpose of reclaiming and rehabilitating strip and surface mining areas in the United States. To this general end, the Secretary of the Interior shall, in full cooperation with the Secretary of Agriculture, the Tennessee Valley Authority, and other appropriate Federal, State, and local departments and agencies, and with the Commission, make a survey and study of strip and surface mining operations and their effects in the United States. The Secretary of the Interior shall submit to the President his recommendations for a long-range comprehensive program for reclamation and rehabilitation of strip and surface mining areas in the United States and for the policies under which the program should be conducted, and the President shall submit these to the Congress, together with his recommendations, not later than July 1, 1967. By July 1, 1966, the Secretary shall make an interim report to the Commission summarizing his findings to that date on those aspects of strip and surface mining operations in the region that are most urgently in need of attention. Such study and recommendations shall include, but not be limited to, a consideration of the following matters—

(1) the nature and extent of strip and surface mining operations in the United States and the conditions resulting therefrom;

(2) the ownership of the real property involved in strip and surface mining operations;

(3) the effectiveness of past action by States or local units of government to remedy the adverse effects of strip and surface mining operation by financial or regulatory measures, and requirements for appropriate State legislation, including adequate enforcement thereof, to provide for proper reclamation and rehabili-

tation of areas which may be strip and surface mined in the future;

(4) the public interest in and public benefits which may result from reclamation, rehabilitation, and appropriate development and use of areas subjected to strip and surface mining operations, including (A) economic development growth, (B) public recreation, (C) public health and safety, (D) water pollution, stream sedimentation, erosion control, and flood control, (E) highway programs, (F) fish and wildlife protection and restoration, (G) scenic values, and (H) forestry and agriculture;

(5) the appropriate roles of Federal, State, and private interests in the reclamation and rehabilitation of strip and surface mining areas and the relative costs to be borne by each, including specific consideration of (A) the extent, if any, to which strip and surface mine operators are unable to bear the cost of remedial action within the limits imposed by the economics of such mining activity, and (B) the extent to which the prospective value of lands and other natural resources, after remedial work has been completed, would be inadequate to justify the landowners doing the remedial work at their expense; and

(6) the objectives and the total overall costs of a program for accomplishing the reclamation and rehabilitation of existing strip and surface mining areas in the United States, giving adequate consideration to (A) the economic benefits in relation to costs, (B) the prevention of future devastation of reclaimed and rehabilitated areas, (C) the avoidance of unwarranted financial gain to private owners of improved property, and (D) the types of aid required to accomplish such reclamation and rehabilitation.

(d) Not to exceed [$36,500,000] *$30,000,000* of the funds authorized in section 401 of this Act *for the two-fiscal-year period ending June 30, 1969*, shall be available to carry out this section. No moneys authorized by this Act shall be expended for the purposes of reclaiming, improving, grading, seeding, or reforestation of strip-mined areas (except on lands owned by Federal, State, or local bodies of government) until authorized by law after completion of the study and report to the President as provided in subsection (c) of this section.

WATER RESOURCE SURVEY

SEC. 206. (a) The Secretary of the Army is hereby authorized and directed to prepare a comprehensive plan for the development and efficient utilization of the water and related resources of the Appalachian region, giving special attention to the need for an increase in the production of economic goods and services within the region as a means of expanding economic opportunities and thus enhancing the welfare of its people, which plan shall constitute an integral and harmonious component of the regional economic development program authorized by this Act.

(b) This plan may recommend measures for the control of floods, the regulation of the rivers to enhance their value as sources of water supply for industrial and municipal development, the generation of hydroelectric power, the prevention of water pollution by drainage from mines, the development and enhancement of the recreational potentials of the region, the improvement of the rivers for navigation where this would further industrial development at less cost than

would the improvement of other modes of transportation, the conservation and efficient utilization of the land resource, and such other measures as may be found necessary to achieve the objectives of this section.

(c) To insure that the plan prepared by the Secretary of the Army shall constitute a harmonious component of the regional program, he shall consult with the Commission and the following: the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Health, Education, and Welfare, the Secretary of the Interior, Secretary of Transportation, the Tennessee Valley Authority, and the Federal Power Commission.

(d) The plan prepared pursuant to this section shall be submitted to the Commission. The Commission shall submit the plan to the President with a statement of its views, and the President shall submit the plan to the Congress with his recommendations not later than December 31, 1968.

(e) The Federal agencies referred to in subsection (c) of this section are hereby authorized to assist the Secretary of the Army in the preparation of the plan authorized by this section, and the Secretary of the Army is authorized to enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary to the preparation of this plan and on such terms as he may deem appropriate, with any department, agency, or instrumentality of the United States or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation.

(f) The plan to be prepared by the Secretary of the Army pursuant to this section shall also be coordinated with all comprehensive river basin plans heretofore or hereafter developed by United States study commissions, interagency committees, or similar planning bodies, for those river systems draining the Appalachian region.

(g) Not to exceed [$5,000,000] *$2,000,000* of the funds authorized in section 401 of this Act *for the two-fiscal-year period ending June 30, 1969*, shall be available to carry out this section.

ASSISTANCE FOR PLANNING AND OTHER PRELIMINARY EXPENSES OF PROPOSED HOUSING PROJECTS UNDER SECTION 221 OF THE NATIONAL HOUSING ACT

SEC. 207. (a) In order to encourage and facilitate the construction or rehabilitation of housing to meet the needs of low- and moderate-income families and individuals, the Secretary of Housing and Urban Development (hereafter in this section referred to as the "Secretary") is authorized to make grants and loans from the Appalachian Housing Fund established by this section, under such terms and conditions as he may prescribe, to nonprofit, limited dividend, or cooperative organizations, or to public bodies, for expenses of planning and of obtaining an insured mortgage for a housing construction or rehabilitation project, under section 221 of the National Housing Act (hereafter in this section referred to as "section 221"), in any area of the Appalachian region determined by the Commission to have significant potential for future growth.

(b) No grant under this section shall exceed 80 per centum of those administrative expenses, incident to planning a project and obtaining an insured mortgage under section 221, which the Secretary considers not to

be recoverable from the proceeds of a mortgage insured under such section: Provided, That no grant shall be made to an organization established for profit.

(c) No loan under this section shall exceed 80 per centum of the cost of planning a project and obtaining an insured mortgage under section 221, including, but not limited to, preliminary surveys and analyses of market needs, preliminary site engineering and architectural fees, site options, Federal Housing Administration and Federal National Mortgage Association fees, and construction loan fees and discounts. Loans may be made without interest, or at any market or below market interest rate authorized for a mortgage insured under section 221: Provided, That any loan made to an organization established for profit shall bear interest at the prevailing market rate authorized for a mortgage insured under such section. The Secretary may, except in the case of a loan to an organization established for profit, waive the repayment of all or any part of a loan made under this section, including interest, which he finds the borrower is unable to recover from the proceeds of a mortgage insured under section 221.

(d) All funds allocated to the Secretary for the purposes of this section shall be deposited in a fund which shall be known as the Appalachian Housing Fund and shall be used as a revolving fund by the Secretary for carrying out such purposes. General expenses of administration of this section may be charged to the fund. Moneys in the fund not needed for current operation may be invested in bonds or other obligations guaranteed as to principal and interest by the United States.

(e) Not to exceed $5,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section.

PART B—SUPPLEMENTATIONS AND MODIFICATIONS OF EXISTING PROGRAMS

VOCATIONAL EDUCATION FACILITIES

SEC. 211. (a) In order to provide basic facilities to give the people of the region the training and education they need to obtain employment, the Secretary of Health, Education, and Welfare is authorized to make grants for construction of the school facilities *and for the equipment of such facilities and other school facilities* needed for the provision of vocational education in areas of the region in which such education is not now adequately available. Such grants shall be made in accordance with the provisions of the Vocational Education Act of 1963 (77 Stat. 403), without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

(b) Not to exceed [$16,000,000] *$26,000,000* of the funds authorized in section 401 of this Act *for the two-fiscal-year period ending June 30, 1969,* shall be available to carry out this section.

SEWAGE TREATMENT WORKS

SEC. 212. (a) In order to provide facilities to assist in the prevention of pollution of the region's streams and to protect the health and

welfare of its citizens, the Secretary of Health, Education, and Welfare is authorized to make grants for the construction of sewage treatment works in accordance with the provisions of the Federal Water Pollution Control Act (33 U.S.C. 466 et seq.), without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States pursuant to any other provision of law.

(b) Not to exceed $6,000,000 of the funds authorized in section 401 of this Act *for the two-fiscal-year period ending June 30, 1969,* shall be available to carry out this section.

* * * * * * *

SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

SEC. 214. (a) In order to enable the people, States, and local communities of the region, including local development districts, to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, [the Secretary of Commerce is authorized, pursuant to specific recommendations of the Commission approved by him and after consultation with the appropriate Federal officials, to allocate funds appropriated to carry out this section to the heads of the departments, agencies, and instrumentalities of the Federal Government responsible for the administration of such Federal grant-in-aid programs. Funds so allocated shall be used for the sole purpose of increasing the Federal contribution to projects under such programs above the fixed maximum portion of the cost of such project otherwise authorized by the applicable law. Funds shall be so allocated for Federal grant-in-aid programs for which funds are available under the Act authorizing such programs. Such allocations shall be available without regard to any appropriation authorization ceilings in such Act.] *the President is authorized to provide funds to the Federal Cochairman to be used for the sole purpose of increasing the Federal contribution to projects under Federal grant-in-aid programs, as hereafter defined, above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. Funds shall be so provided for Federal grant-in-aid programs for which funds are available under the Acts authorizing such programs and shall be available without regard to any appropriation authorization ceilings in such Acts. Any finding, report, certification, or documentation required to be submitted to the head of the department, agency, or instrumentality of the Federal Government responsible for the administration of any Federal grant-in-aid program shall be accepted by the Federal Cochairman with respect to a supplemental grant for any project under such program.*

(b) The Federal portion of such costs shall not be increased in excess of the percentages established by [regulations promulgated by the Secretary of Commerce, and such regulations] *the Commission, and* shall in no event [authorize the Federal portion of such costs to] exceed 80 per centum thereof.

(c) The term "Federal grant-in-aid programs" as used in this section means those Federal grant-in-aid programs authorized by this Act for the construction or equipment of facilities, and all other Fed-

eral grant-in-aid programs authorized [on or before the effective date of this Act] *on or before August 1, 1967*, by Acts other than this Act for the acquisition of land or the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958. The term shall not include (A) the program for the construction of the development highway system authorized by section 201 of this Act or any other program relating to highway or road construction, or (B) any other program for which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act.

(d) Not to exceed [$90,000,000] *$71,000,000* of the funds authorized in section 401 of this Act *for the two-fiscal-year period ending June 30, 1969*, shall be available to carry out this section.

Part C—General Provisions

MAINTENANCE OF EFFORT

Sec. 221. No State and no political subdivision of such State shall be eligible to receive benefits under this Act unless the aggregate expenditures of State funds, exclusive of *expenditures for participation in the National System of Interstate and Defense Highways, and exclusive of local funds and* Federal funds, for the benefit of the area within the State located in the region are maintained at a level which does not fall below the average level of such expenditures for its last two full fiscal years preceding the date of enactment of this Act. In computing the average level of expenditure for its last two fiscal years, a State's past expenditure for participation in the National System of Interstate and Defense Highways *and expenditures of local funds and Federal funds* shall not be included. The Commission shall recommend to the President or such Federal officer or officers as the President may designate, a lesser requirement when it finds that a substantial population decrease in that portion of a State which lies within the region would not justify a State expenditure equal to the average level of the last two years or when it finds that a State's average level of expenditure, within an individual program, has been disproportionate to the present need for that portion of the State which lies within the region.

CONSENT OF STATES

Sec. 222. Nothing contained in this Act shall be interpreted as requiring any State to engage in or accept any program under this Act without its consent.

PROGRAM IMPLEMENTATION

[Sec. 223. A program and projects authorized under any section of this title shall not be implemented until (1) the Commission has consulted with the appropriate official or officials concerned with such

program and projects as may be designated by the Governor or Governors of the State or States involved and has obtained the recommendations of such official or officials with respect to such program and projects and (2) plans with respect to such program and projects have been recommended by the Commission and have been submitted to and approved or modified by the President or such Federal officer or officers as the President may designate.]

Sec. 223. No program or project authorized under any section of this title shall be implemented until (1) applications and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this Act, and (2) the Commission has approved such program or project and has determined that it meets the applicable criteria under section 224 and will contribute to the development of the region, which determination shall be controlling.

PROGRAM DEVELOPMENT CRITERIA

Sec. 224. (a) In [developing recommendations on the] *considering* programs and projects to be given assistance under this Act, and in establishing [within those recommendations] a priority ranking of the requests for assistance presented to the Commission, the Commission shall follow procedures that will insure consideration of the following factors:

(1) the relationship of the project or class of projects to overall regional development including its location in an area determined by the State have a significant potential for growth;

(2) the population and area to be served by the project or class of projects including the relative per capita income and the unemployment rates in the area;

(3) the relative financial resources available to the State or political subdivisions or instrumentalities thereof which seek to undertake the project;

(4) the importance of the project or class of projects in relation to other projects or classes of projects which may be in competition for the same funds;

(5) the prospects that the project for which assistance is sought will improve, on a continuing rather than a temporary basis, the opportunities for employment, the average level of income, or the economic and social development of the area served by the project.

(b) No financial assistance shall be authorized under this Act to be used (1) [in relocating any establishment or establishments] *to assist establishments relocating* from one area to another; (2) to finance the cost of industrial plants, commercial facilities, machinery, working capital, or other industrial facilities or to enable plant subcontractors to undertake work theretofore performed in another area by other subcontractors or contractors; (3) to finance the cost of facilities for the generation, transmission, or distribution of electric energy; or (4) to finance the cost of facilities for the production, transmission, or distribution of gas (natural, manufactured, or mixed).

TITLE III—ADMINISTRATION

LOCAL DEVELOPMENT DISTRICTS—CERTIFICATION

SEC. 301. For the purposes of this Act, a "local development district" shall be an entity certified to the Commission either by the Governor of the State or States in which such entity is located, or by the State officer designated by the appropriate State Law to make such certification, as having a charter or authority that includes the economic development of counties or parts of counties or other political subdivisions within the region. No entity shall be certified as a local development district for the purposes of this Act unless it is one of the following:

(1) a nonprofit incorporated body organized or chartered under the law of the State in which it is located;

(2) a nonprofit agency or instrumentality of a State or local government;

(3) a nonprofit agency or instrumentality created through an interstate compact; or

(4) a nonprofit association or combination of such bodies, agencies, and instrumentalities.

GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DEVELOPMENT DISTRICTS AND FOR RESEARCH AND DEMONSTRATION PROJECTS

[SEC. 302. (a) The Secretary of Commerce is authorized—

[(1) either directly or through arrangements with the Commission, to make grants for administrative expenses to local development districts. The amount of any such grant shall not exceed 75 per centum of such expenses in any one fiscal year. No grants for administrative expenses shall be made to a local development district for a period in excess of three years beginning on the date the initial grant is made to such development district. The local contributions for administrative expenses may be in cash or in kind, fairly evaluated, including but not limited to space, equipment, and services; and

[(2) either directly or through arrangements with appropriate public or private organizations (including the Commission), to provide funds for investigation, research, studies, and demonstration projects, but not for construction purposes, which will further the purposes of this Act.

[(b) Recipients of Federal assistance under the provisions of this section shall, in accordance with regulations to be promulgated by the Secretary of Commerce, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the Secretary of Commerce. The records of the recipient shall be available for audit with respect to such grants by the Secretary of Commerce and the Comptroller General, or their duly authorized representatives.

[(c) Not to exceed $5,500,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.]

SEC. 302. (a) The President is authorized—

(1) to make grants to the Commission for administrative expenses, including technical services, of local development districts, but (A) the amount of any such grant shall not exceed 75 per centum

of such expenses, (B) no grants for administrative expenses shall be made for a local development district for a period in excess of three years beginning on the date the initial grant is made for such development district, and (C) the local development district contributions for administrative expenses may be in cash or in kind, fairly evaluated, including but not limited to space, equipment, and services; and

(2) to make grants to the Commission for investigation, research, studies, technical assistance, and demonstration projects, and for training programs, but not for construction purposes, which will further the purposes of this Act.

(b) The Commission is authorized to make a survey and study of acid pollution in the region resulting from mining activities and the effects of such pollution, in full cooperation with the Secretary of the Interior and other appropriate Federal, State, and local departments and agencies, with the objective of developing a comprehensive action program for the appropriate control, reduction, or elimination of such pollution in the region or the effects of such pollution. The Commission shall submit to the President a report, including specific recommendations for such program and for the policies under which it should be conducted, and the President shall submit the report to the Congress, together with his recommendations, not later than March 31, 1969. The study shall, among other matters—

(1) Identify sources of acid mine pollution in the region and their type, area, ownership, and other characteristics; the relative contribution of each source; and the impact of each source on water quality in the streams affected.

(2) Identify present and potential water-using and other activities which are affected by acid mine pollution in the region, or originating in the region, and the economic and social costs and effects attributable to such pollution.

(3) Identify known methods and costs for the control and abatement of acid mine pollution.

(4) Estimate economic and social benefits, public and private, that are likely to result from reducing to various levels acid mine pollution in the streams of the region and identify the types of beneficiaries and the relative distribution of the benefits to such beneficiaries.

(5) Consider the appropriate roles of Federal, State, and private interests in programs for the control, reduction, or elimination of acid mine pollution in the region and the relative costs which each should bear, including specifically (A) the extent, if any, to which private interests can bear the cost of such programs within the economics of mining activity, (B) the effectiveness of past action by Federal, State, and local units of government in remedying or controlling the adverse effects of acid mine pollution, (C) relationships which might be established among Federal, State, and local units of government, and with private interests for implementing and funding such programs, and (D) the need for appropriate Federal and State legislation, including adequate enforcement provisions, for such programs.

(6) Formulate a program for the appropriate control, reduction, or elimination of acid mine pollution in the region, including the identification of specific objectives and costs, with due consideration to: (A) the developmental effects of the program, (B) the economic

benefits of the program in relation to costs, (C) the social effects of the program, (D) the avoidance of unwarranted financial gain to private interests, and (E) the types and sources of aid required to accomplish the program.

(c)(1) The Commission shall, as required by the President, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the President. The records of the Commission shall be available for audit with respect to such grants by the President and the Comptroller General or their duly authorized representatives.

(2) Recipients of Federal assistance under the provisions of this section shall, as required by the Commission, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the Commission. Such records shall be available for audit by the President, the Comptroller General, and the Commission or their duly authorized representatives.

(d) Not to exceed $10,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section. Not to exceed $3,000,000 of such authorization shall be available for the purposes of subsection (b).

[(d)](e) No part of any appropriated funds may be expended pursuant to authorization given by this Act involving any scientific or technological research or development activity unless such expenditure is conditioned upon provisions effective to insure that all information, copyrights, uses, processes, patents, and other developments resulting from that activity will be made freely available to the general public. Nothing contained in this subsection shall deprive the owner of any background patent relating to any such activity, without his consent, of any right which that owner may have under that patent. Whenever any information, copyright, use, process, patent or development resulting from any such research or development activity conducted in whole or in part with appropriated funds expended under authorization of this Act is withheld or disposed of by any person, organization, or agency in contravention of the provisions of this subsection, the Attorney General shall institute, upon his own motion or upon request made by any person having knowledge of pertinent facts, an action for the enforcement of the provisions of this subsection in the district court of the United States for any judicial district in which any defendant resides, is found, or has a place of business. Such court shall have jurisdiction to hear and determine such action, and to enter therein such orders and decrees as it shall determine to be required to carry into effect fully the provisions of this subsection. Process of the district court for any judicial district in any action instituted under this subsection may be served in any other judicial district of the United States by the United States marshal thereof. Whenever it appears to the court in which any such action is pending that other parties should be brought before the court in such action, the court may cause such other parties to be summoned from any judicial district of the United States.

PROJECT APPROVAL

SEC. 303. An application for a grant or for any other assistance for a program or project under this Act shall be made [only by a State, a political subdivision of a State, or a local development district. Each

such application shall be made] through the State member of the Commission representing such applicant, and such State member shall evaluate [such] *the* application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under the Act shall be approved for assistance [by the Commission]. *No project shall be approved by the Commission unless the Commission is satisfied that the project will be properly administered, operated, and maintained.*

ANNUAL REPORT

SEC. 304. Not later than six months after the close of each fiscal year, the Commission shall prepare and submit to the Governor of each State in the region and to the President, for transmittal to the Congress, a report on the activities carried out under this Act during such year.

TITLE IV—APPROPRIATIONS AND MISCELLANEOUS PROVISIONS

AUTHORIZATION OF APPROPRIATIONS

SEC. 401. In addition to the appropriations authorized in *section 105 and in* section 201 for the Appalachian development highway system *and local access roads*, there is hereby authorized to be appropriated [for the period ending June 30, 1967,] *to the President*, to be available until expended, not to exceed [$252,400,000] *$220,000,000 for the two-fiscal-year period ending June 30, 1969*, to carry out this Act.

APPLICABLE LABOR STANDARDS

SEC. 402. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration, or repair, including painting and decorating, of projects, buildings, and works which are financially assisted through the Federal funds authorized under this Act, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a–5). The Secretary of Labor shall have with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176, 64 Stat. 1267, 5 U.S.C. 133—133z–15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

DEFINITION OF APPALACHIAN REGION

SEC. 403. As used in this Act, the term "Appalachian region" or "the region" means that area of the eastern United States consisting of the following counties (including any political subdivision located within such area):

In Alabama, the counties of Bibb, Blount, Calhoun, Chambers, Cherokee, Chilton, Clay, Cleburne, Colbert, Coosa, Cullman, De Kalb, Elmore, Etowah, Fayette, Franklin, Jackson, Jefferson, Lamar, Lauderdale, Lawrence, Limestone, Madison, Marion, Marshall, Morgan, Pickens, Randolph, Saint Clair, Shelby, Talladega, Tallapoosa, Tuscaloosa, Walker, and Winston;

In Georgia, the counties of Banks, Barrow, Bartow, Carroll, Catoosa, Chattooga, Cherokee, Dade, Dawson, Douglas, Fannin, Floyd, Forsyth, Franklin, Gilmer, Gordon, Gwinnett, Habersham, Hall, Haralson, Heard, Jackson, Lumpkin, Madison, Murray, Paulding, Pickens, Polk, Rabun, Stephens, Towns, Union, Walker, White, and Whitfield;

In Kentucky, the counties of Adair, Bath, Bell, Boyd, Breathitt, Carter, Casey, Clark, Clay, Clinton, Cumberland, Elliott, Estill, Fleming, Floyd, Garrard, Green, Greenup, Harlan, Jackson, Johnson, Knott, Knox, Laurel, Lawrence, Lee, Leslie, Letcher, Lewis, Lincoln, McCreary, Madison, Magoffin, Martin, Menifee, Monroe, Montgomery, Morgan, Owsley, Perry, Pike, Powell, Pulaski, Rockcastle, Rowan, Russell, Wayne, Whitley, and Wolfe;

In Maryland, the counties of Allegany, Garrett, and Washington;

In Mississippi, the counties of Alcorn, Benton, Chickasaw, Choctaw, Clay, Itawamba, Kemper, Lee, Lowndes, Marshall, Monroe, Noxubee, Oktibbeha, Pontotoc, Prentiss, Tippah, Tishomingo, Union, Webster, and Winston;

In New York, the counties of Allegany, Broome, Cattaraugus, Chautauqua, Chemung, Chenango, Cortland, Delaware, Otsego, Schoharie, Schuyler, Steuben, Tioga, and Tompkins;

In North Carolina, the counties of Alexander, Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell, Cherokee, Clay, Davie, Forsyth, Graham, Haywood, Henderson, Jackson, McDowell, Macon, Madison, Mitchell, Polk, Rutherford, Stokes, Surry, Swain, Transylvania, Watauga, Wilkes, Yadkin, and Yancey;

In Ohio, the counties of Adams, Athens, Belmont, Brown, Carroll, Clermont, Coshocton, Gallia, Guernsey, Harrison, Highland, Hocking, Holmes, Jackson, Jefferson, Lawrence, Meigs, Monroe, Morgan, Muskingum, Noble, Perry, Pike, Ross, Scioto, Tuscarawas, Vinton, and Washington;

In Pennsylvania, the counties of Allegheny, Armstrong, Beaver, Bedford, Blair, Bradford, Butler, Cambria, Cameron, Carbon, Centre, Clarion, Clearfield, Clinton, Columbia, Crawford, Elk, Erie, Fayette, Forest, Fulton, Greene, Huntingdon, Indiana, Jefferson, Juniata, Lackawanna, Lawrence, Luzerne, Lycoming, McKean, Mercer, Mifflin, Monroe, Montour, Northumberland, Perry, Pike, Potter, Schuylkill, Snyder, Somerset, Sullivan, Susquehanna, Tioga, Union, Venango, Warren, Washington, Wayne, Westmoreland, and Wyoming;

In South Carolina, the counties of Anderson, Cherokee, Greenville, Oconee, Pickens, and Spartanburg;

In Tennessee, the counties of Anderson, Bledsoe, Blount, Bradley, Campbell, *Cannon*, Carter, Claiborne, Clay, Cocke, Coffee, Cumberland, De Kalb, Fentress, Franklin, Grainger, Greene, Grundy, Hamblen, Hamilton, Hancock, Hawkins, Jackson, Jefferson, Johnson, Knox, Loudon, McMinn, Macon, Marion, Meigs, Monroe, Morgan, Overton, Pickett, Polk, Putnam, Rhea, Roane, Scott, Sequatchie, Sevier, Smith, Sullivan, Unicoi, Union, Van Buren, Warren, Washington, and White;

In Virginia, the counties of Alleghany, Bath, Bland, Botetourt, Buchanan, Carroll, Craig, Dickenson, Floyd, Giles, Grayson, Highland, Lee, Pulaski, Russell, Scott, Smyth, Tazewell, Washington, Wise, and Wythe;

All the counties of West Virginia[:].
[*Provided*, That the Commission is hereby authorized and directed to study and consider, in consultation with the Governor of the State of New York or an appropriate official or officials designated by him, the inclusion of such counties of the State of New York as are contiguous to the Appalachian region as defined in this section and counties contiguous thereto in the Appalachian region for the purposes of this Act; and if the Commission shall decide after such consultation, that these counties share the social and economic characteristics of the region, and that the inclusion of these counties would further the purposes of this Act as set forth in section 2, then the Commission is authorized and directed to invite the State of New York to participate in the Commission on an appropriate basis: *Provided further*, That the Commission may extend the invitation to the State of New York for inclusion of such of the described counties the inclusion of which would further the purposes of the Act: *And provided further*, That if such invitation is duly accepted by the State of New York, those counties shall be included in "the region" or "the Appalachian region" for the purposes of this Act.]

No recommendation for any change in the definition of the Appalachian region as set forth in this section shall be proposed or considered by the Commission without a prior resolution by the Committee on Public Works of the Senate or of the House of Representatives, directing a study of such change.

SEVERABILITY

SEC. 404. If any provision of this Act, or the applicability thereof to any person or circumstance, is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

TERMINATION

SEC. 405. This Act shall cease to be in effect on July 1, 1971.

PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

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TITLE V—REGIONAL ACTION PLANNING COMMISSIONS

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FUNCTIONS OF COMMISSION

SEC. 503. (a) In carrying out the purposes of this Act, each Commission shall with respect to its region—

(1) advise and assist the Secretary in the identification of optimum boundaries for multistate economic development regions;

(2) initiate and coordinate the preparation of long-range overall economic development programs for such regions, *including*

the development of a comprehensive long-range economic plan approved by the Secretary;

(3) foster surveys and studies to provide data required for the preparation of specific plans and programs for the development of such regions;

(4) advise and assist the Secretary and the States concerned in the initiation and coordination of economic development districts, in order to promote maximum benefits from the expenditure of Federal, State, and local funds;

(5) promote increased private investment in such regions;

(6) prepare legislative and other recommendations with respect to both short-range and long-range programs and projects for Federal, State, and local agencies;

(7) develop, on a continuing basis, comprehensive and coordinated plans and programs and establish priorities thereunder, giving due consideration to other Federal, State, and local planning in the region;

(8) conduct and sponsor investigations, research, and studies, including an inventory and analysis of the resources of the region, and, in cooperation with Federal, State, and local agencies, sponsor demonstration projects designed to foster regional productivity and growth;

(9) review and study, in cooperation with the agency involved, Federal, State, and local public and private programs and, where appropriate, recommend modifications or additions which will increase their effectiveness in the region;

(10) formulate and recommend, where appropriate, interstate compacts and other forms of interstate cooperation, and work with State and local agencies in developing appropriate model legislation; and

(11) provide a forum for consideration of problems of the region and proposed solutions and establish and utilize, as appropriate, citizens and special advisory councils and public conferences.

(b) The Secretary shall present such plans and proposals of the commissions as may be transmitted and recommended to him (but are not authorized by any other section of this Act) first for review by the Federal agencies primarily interested in such plans and proposals and then, together with the recommendations of such agencies, to the President for such action as he may deem desirable.

(c) The Secretary shall provide effective and continuing liaison between the Federal Government and each regional commission.

(d) Each Federal agency shall, consonant with law and within the limits of available funds, cooperate with such commissions as may be established in order to assist them in carrying out their functions under this section.

(e) Each regional commission may, from time to time, make additional recommendations to the Secretary and recommendations to the State Governors and appropriate local officials, with respect to—

(1) the expenditure of funds by Federal, State, and local departments and agencies in its region in the fields of natural resources, agriculture, education, training, health and welfare, transportation, and other fields related to the purposes of this Act; and

(2) such additional Federal, State, and local legislation or administrative actions as the commission deems necessary to further the purposes of this Act.

* * * * * * *

REGIONAL TECHNICAL AND PLANNING ASSISTANCE

SEC. 505. (a) The Secretary is authorized to provide to the commissions technical assistance which would be useful in aiding the commissions to carry out their functions under this Act and to develop recommendations and programs. Such assistance shall include studies and plans evaluating the needs of, and developing potentialities for, economic growth of such region, and research on improving the conservation and utilization of the human and natural resources of the region. Such assistance may be provided by the Secretary through members of his staff, through the payment of funds authorized for this section to other departments or agencies of the Federal Government, or through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purposes, or through grants-in-aid to the commissions. The Secretary, in his discretion, may require the repayment of assistance provided under this subsection and prescribe the terms and conditions of such repayment.

(b) For the period ending on June 30 of the second full Federal fiscal year following the date of establishment of a commission, the administrative expenses of each commission as approved by the Secretary shall be paid by the Federal Government. Thereafter, not to exceed 50 per centum of such expenses may be paid by the Federal Government. In determining the amount of the non-Federal share of such costs or expenses, the Secretary shall give due consideration to all contributions both in cash and in kind, fairly evaluated, including but not limited to space, equipment, and services.

(c) There is hereby authorized to be appropriated $15,000,000 for the fiscal year ending June 30, 1966, and for each fiscal year thereafter through the fiscal year ending June 30, 1970, for the purposes of this section. *Not to exceed $2,500,000 of the funds authorized to be appropriated by this subsection for each fiscal year shall be allocated by the Secretary to each regional commission to carry out the purposes of this section.*

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SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

SEC. 509. (a) In order to enable the States and other entities within economic development regions established under this Act to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the Secretary is authorized, once a comprehensive long-range economic plan established pursuant to clause (2) of section 503(a) of this Act is in effect, and pursuant to specific recommendations, approved by him, of the regional commissions heretofore or hereafter established under this title and after consultation with appropriate Federal officials, to allocate funds appropriated to carry out this section to the heads of the departments, agencies, and instrumentalities of the Federal Government responsible for the administration of such Federal grant-in-aid programs, to be

used for the sole purpose of increasing the Federal contribution to projects under such programs above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. No program or project authorized under this section shall be implemented until (1) applications and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this Act, and (2) the Regional Commission involved has approved such program or project and has determined that it meets the applicable criteria under section 504 and will contribute to the development of the region, which determination shall be controlling. Funds may be provided only for Federal grant-in-aid programs for which funds are available under the Act authorizing such programs. Funds so provided shall be available without regard to any appropriation authorization ceilings in such Act.

(b) The Federal portion of such costs shall not be increased in excess of the percentages established by each commission, and shall in no event exceed 80 per centum thereof.

(c) The term "Federal grant-in-aid programs" as used in this section means all Federal grant-in-aid programs in existence on or before August 1, 1967, assisting in the acquisition of land or the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by title I of this Act and by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; and National Defense Education Act of 1958. The term shall not include any program in which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this section, and shall not be taken into account in the computation of allocations among the States made pursuant to any other provision of law.

(d) There is hereby authorized to be appropriated to the Secretary for use in each of the regions for the purposes of this section the sum of $5,000,000 for the period ending June 30, 1968, and the sum of $10,000,000 for the fiscal year ending June 30, 1969.

(e) An application for a grant under this section shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under this section shall be approved for assistance.

ANNUAL REPORTS

SEC. [509] *510.* Each regional commission established pursuant to this Act shall make a comprehensive and detailed annual report each fiscal year to the Congress with respect to such commission's activities and recommendations for programs. The first such report shall be made for the first fiscal year in which such commission is in existence for more than three months. Such reports shall be printed and transmitted to the Congress not later than January 31 of the calendar year following the fiscal year with respect to which the report is made.

TITLE VI—ADMINISTRATION

* * * * * * *

ADMINISTRATION, OPERATION, AND MAINTENANCE

SEC. 604. No Federal assistance shall be approved under this Act unless the responsible Federal official is satisfied that the project for which Federal assistance is granted will be properly and efficiently administered, operated, and maintained.

* * * * * * *

SECTION 701 (a) AND (b) OF THE HOUSING ACT OF 1954

URBAN PLANNING

SEC. 701. (a) In order to assist State and local governments in solving planning problems resulting from the increasing concentration of population in metropolitan and other urban areas, including smaller communities; to facilitate comprehensive planning for urban development, including coordinated transportation systems, on a continuing basis by such governments; and to encourage such governments to establish and improve planning staffs, the Administrator is authorized to make planning grants to—

(1) State planning agencies, or (in States where no such planning agency exists) to agencies or instrumentalities of State government designated by the Governor of the State and acceptable to the Administrator as capable of carrying out the planning functions contemplated by the section, for the provision of planning assistance to (A) cities and other municipalities having a population of less than 50,000 according to the latest decennial census, and counties without regard to population: *Provided*, That grants shall be made under this paragraph for planning assistance to counties having a population of 50,000 or more, according to the latest decennial census, which are within metropolitan areas, only if (i) the Administrator finds that planning and plans for such county will be coordinated with the program of comprehensive planning, if any, which is being carried out for the metropolitan area of which the county is a part, and (ii) the aggregate amount of the grants made subject to this proviso does not exceed 15 per centum of the aggregate amount appropriated, after the date of enactment of the Housing Act of 1964, for the purposes of this section, (B) any group of adjacent communities, either incorporated or unincorporated, having a total population of less than 50,000 according to the latest decennial census and having common or related urban planning problems, (C) cities, other municipalities, and counties, referred to in paragraph (3) of this subsection and areas referred to in paragraph (4) of this subsection, and (D) Indian reservations;

(2) official State, metropolitan, and regional planning agencies, or other agencies and instrumentalities designated by the Governor (or Governors in the case of interstate planning) and acceptable to the Administrator, empowered under State or local laws or interstate compact to perform metropolitan or regional planning;

(3) cities, other municipalities, and counties which (A) are situated in areas designated by the Secretary of Commerce under section 5 of the Area Redevelopment Act as redevelopment areas or (B) have suffered substantial damage as a result of a catastrophe which the President, pursuant to section 2(a) of "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes" has determined to be a major disaster;

(4) to official governmental planning agencies for areas where rapid urbanization has resulted or is expected to result from the establishment or rapid and substantial expansion of a Federal installation, or for areas where rapid urbanization is expected to result on land developed or to be developed as a new community approved under section 1004 of the National Housing Act;

(5) State planning agencies for State and interstate comprehensive planning (as defined in subsection (d)) and for research and coordination activity related thereto;

(6) metropolitan and regional planning agencies, with the approval of the State planning agency or (in States where no such planning agency exists) of the Governor of the State, for the provision of planning assistance within the metropolitan area or region to cities, other municipalities, counties, groups of adjacent communities, or Indian reservations described in clauses (A), (B), (C), and (D) of paragraph (1) of this subsection;

(7) to official governmental planning agencies for any area where there has occurred a substantial reduction in employment opportunities as the result of (A) the closing (in whole or in part) of a Federal installation, or (B) a decline in the volume of Goverment orders for the procurement of articles or materials produced or manufactured in such area;

(8) tribal planning councils or other tribal bodies designated by the Secretary of the Interior for planning for an Indian reservation to which no State planning agency or other agency or instrumentality is empowered to provide planning assistance under clause (D) of paragraph (1) above; [and]

[(9) the Appalachian Regional Commission, established by the Appalachian Regional Development Act of 1965, for comprehensive planning for the Appalachian region as defined by section 403 of such Act.]

(9) the Appalachian Regional Commission, for comprehensive planning for the Appalachian region as defined by section 403 of the Appalachian Regional Development Act of 1965; and

(10) local development districts, certified under section 301 of the Appalachian Regional Development Act of 1965, for comprehensive planning for their entire areas, or for metropolitan planning, urban planning, county planning, or small municipality planning within such areas in the Appalachian region, and for planning for Appalachian regional programs.

Planning assisted under this section shall, to the maximum extent feasible, cover entire urban areas having common or related urban development problems. The Administrator shall encourage cooperation in preparing and carrying out plans among all interested municipalities, political subdivisions, public agencies, and other parties in order to achieve coordinated development of entire areas. To the maximum extent feasible, pertinent plans and studies already made for

areas shall be utilized so as to avoid unnecessary repetition of effort and expense. Planning which may be assisted under this section includes the preparation of comprehensive urban transportation surveys, studies, and plans to aid in solving problems of traffic congestion, facilitating the circulation of people and goods in metropolitan and other urban areas and reducing transportation needs. Funds available under this section shall be in addition to and may be used jointly with funds available for planning surveys and investigations under other federally aided programs, and nothing contained in this section shall be construed as affecting the authority of the Secretary of Commerce under section 307 of title 23, United States Code.

(b) A planning grant made under this section shall not exceed two-thirds of the estimated cost of the work for which the grant is made: *Provided,* That such a grant may be in an amount not exceeding three-fourths of such estimated cost to an official governmental planning agency for an area described in subsection (a)(7), or for planning being carried out for a city, other municipality, county, group of adjacent communities, or Indian reservation in an area designated by the Secretary of Commerce as a redevelopment area under section 5 of the Area Redevelopment Act (or under any Act supplementary thereto), to States *and local development districts* participating in planning for Appalachian regional programs, for expenses incurred in the course of such planning, or to the Appalachian Regional Commission. All grants made under this section shall be subject to terms and conditions prescribed by the Administrator. No portion of any grant made under this section shall be used for the preparation of plans for specific public works. The Administrator is authorized, notwithstanding the provisions of section 3648 of the Revised Statutes, as amended, to make advance or progress payments on account of any grant made under this section. There is hereby authorized to be appropriated not exceeding $230,000,000, to carry out the purposes of this section, and any amounts so appropriated shall remain available until expended: *Provided,* That not to exceed 5 per centum of any funds so appropriated may be used by the Administrator for studies, research, and demonstration projects, undertaken independently or by contract, for the development and improvement of techniques and methods for comprehensive planning and for the advancement of the purposes of this section, and for grants to assist in the conduct of studies and research relating to needed revisions in State statutes which create, govern, or control local governments and local governmental operations.

ADDITIONAL VIEWS OF HON. WILLIAM JENNINGS BRYAN DORN

I wholeheartedly support S. 602 as reported by the Committee on Public Works. The Appalachian program conceived in 1965 over the last 2 years has proved to be a needed and necessary one for the region and one which will, I believe over the next few years, enhance greatly the entire economic development of the region. I would commend particularly those who administer the program including the former Federal Cochairman John L. Sweeney, the present Federal Cochairman Joe W. Fleming and his alternate, Fred B. Burke.

One of the most important industries in the entire Appalachian region and one whose growth I have consistently supported and encouraged is the textile industry. During the hearings before the committee testimony was presented which underlines a problem which threatens to affect adversely the maintenance and expansion of manufacturing employment in the Appalachian region. On behalf of the textile industries, testimony and data were presented indicating that to an impressive degree manufacturing employment in Appalachia is concentrated in the man-made fiber producing industry and the textile and apparel industries utilizing cotton, wool, and man-made fibers. A large and rapidly rising volume of imports of man-made staple fiber, filaments, and filament yarn and textile and apparel articles of cotton, wool, and man-made fiber are threatening to impair the maintenance of employment in these industries. The textile industry spokesman called attention to the following facts:

(1) The total number of jobs in the textile industry, as defined above, in the Appalachian region is about 453,000.

(2) In a significant number of counties in Pennsylvania, Kentucky, Virginia, Tennessee, North Carolina, South Carolina, Georgia, and Alabama, 75 percent or more of all manufacturing jobs are directly in this textile industry. In an even greater number of counties in these States and in West Virginia, from 50 to 75 percent of all manufacturing jobs are directly in the textile industry. In the remaining counties of the Appalachian region, the textile industry provides not less than from 12 to 50 percent of all manufacturing jobs.

(3) In the Nation as a whole, the textile industry accounts for 13 percent of all manufacturing jobs, but in the Appalachian region this industry supplies 26 percent of all manufacturing jobs. If the counties in New York, Pennsylvania, and Ohio are excluded, the textile industry supplies 41 percent of all manufacturing jobs in the Appalachian region.

(4) Within the Appalachian region and the area within 50 miles beyond its borders, the textile industry accounts for a total of 1,022,000 manufacturing jobs. This is nearly one-half of the employment in the textile industry in the Nation, and 24 percent of total manufacturing employment in that enlarged area.

(5) While the Federal Government and the governments of the States included in the Appalachian region are cooperating through the

programs developed by the Commission in an increase in the pace of economic activity within the region, including the creation of additional jobs in the manufacturing sector, imports of man-made fibers and textile products of cotton, wool, and man-made fibers, including apparel, are increasing at an alarming rate. Between the year ended June 30, 1961, and the calendar year 1966, imports of cotton textiles increased by 72 percent, wool textiles by 34 percent, and man-made fiber textiles by 146 percent.

While imports of cotton textiles are subject to regulation for the next 3 years under the terms of the extended long-term cotton textile arrangement, there is no system of providing for quantitative limitation on imports of man-made fibers, and textile products including apparel of man-made fiber and of wool. The textile industry warned the committee that the impact of these mounting imports of man-made fibers and textile and apparel products of all fibers in the U.S. market will be heavily centered on employment in the Appalachian region as a result of the concentration of the industry's employment in the region. Failure on the part of the U.S. Government to achieve some reasonable control over these textile imports could neutralize the benefits for the Appalachian region and employment within the region which the Federal programs authorized by the proposed amendments to the Appalachian Regional Development Act of 1965 are intended to secure.

I realize that the Committee on Public Works does not have jurisdiction over the regulation of foreign trade, and is therefore powerless to initiate remedial action on this textile import problem. I therefore take this opportunity to present this information to the chairman and members of the Committee on Ways and Means with a request that that committee give the matter the earliest practicable consideration.

William Jennings Bryan Dorn.

MINORITY VIEWS ON S. 602

In 1965 when the Appalachian Regional Development Act was being considered, minority members of the Committee on Public Works opposed its enactment primarily because it offered preferential treatment to one part of the Nation and discriminated against all parts of the United States not within the boundaries of the region. This is not "creative federalism"—it is creative *favoritism*. We have no reason to change our view that the Appalachian Regional Development Act of 1965 is discriminatory. Prosperous counties within Appalachia receive special Federal financial assistance, while prosperous counties elsewhere do not. Economically depressed counties within Appalachia receive special financial assistance under both the Appalachian program and the Public Works and Economic Development Act of 1965, while economically depressed counties outside of Appalachia receive special financial assistance only under the Economic Development Act.

The Appalachian development highway and access road program, which utilizes the bulk of the funds authorized by the Appalachian Regional Development Act of 1965, is particularly discriminatory to the rest of the Nation. Very little of this money is being used to open up new areas for development. It is being used primarily to improve existing highways. In those States which are only partly within Appalachia, the special Appalachian highway program simply enables those States to utilize their regular Federal-aid highway fund in other parts of the State, while still carrying out a road construction program in the Appalachian portion.

Despite our opposition to this discriminatory program, we recognize that it is an ongoing program which has been underway for over 2 years and has 4 more years to run before its termination on July 1, 1971. It is unlikely that the Congress would repeal this program despite its discriminatory aspects.

We feel strongly, however, that whatever the reasons for continuing the special Appalachian program, it certainly should not be expanded. S. 602 provides not only for continuing the special Appalachian program but also for its expansion and enlargement.

Some of the most objectionable features of S. 602 are as follows:

(1) It changes the financial structure of the program by providing for the appropriation of funds directly to the President, for reasons which have not been fully or adequately explained.

(2) It expands the size of the region by adding 24 new counties which are outside of the Appalachian region studied by the President's Appalachian Regional Commission in 1964, outside of the "mountain land"—the "region apart"—described in the Commission's report, and outside of the Appalachian region established by Congress in 1965.

(3) It expands the program by authorizing funds in excess of the amounts requested and appropriated in prior years, and beyond the amounts needed to continue the program at a level comparable to that reflected in the President's budget requests.

(4) It expands the program by authorizing funds for new purposes in addition to those provided for under present law.

The most objectionable feature of S. 602, in our opinion, is the inclusion of title II which would amend the Public Works and Economic Development Act of 1965 and authorize the appropriation of additional funds for the Economic Development Administration. The Administration did not ask for these amendments and made no provision for them in the budget for fiscal year 1968. The Senate committee held no hearings on this title of the bill. The House Committee on Public Works has heard no testimony from the Administration regarding these amendments. Title II should not be a part of the bill, which has as its basic purpose the continued funding of the Appalachian regional program.

Our reasons for objecting to several features in S. 602 are discussed more fully below:

Who Has the Appropriation? A New Version of the Shell Game

Sections 106, 116, 120, and 122 of S. 602 authorize the appropriation to the President of all funds to carry out the Appalachian Regional Development Act of 1965, except funds to cover the administrative expenses of the Appalachian Regional Commission, which are authorized to be appropriated directly to the Commission. Under existing law, appropriation requests for Appalachian program funds have been submitted as parts of the budgets of the executive departments responsible for implementing the individual programs authorized by the act, and Congress has appropriated such funds to the appropriate departments. Funds for the Federal share of its administrative expenses have been appropriated directly to the Commission.

Those advocating this change in the recipient of appropriations claim that the existing procedure deprives the Commission of the ability to propose, prepare, present, and fight for the money it needs to make the total program work. They contend that appropriations for the Appalachian program should be sought on a consolidated basis, and that by authorizing appropriations to the President they will achieve a single review of the program in the appropriation process.

This is simply a device to force the Committee on Appropriations to assign jurisdiction of the entire Appalachian program to a single subcommittee. In the past, appropriations for individual programs under the Appalachian Regional Development Act have been considered along with other appropriations to the departments administering such programs, as parts of those departments' overall operations, by the appropriate subcommittees of the Committee on Appropriations. There is nothing in existing law to prevent the Bureau of the Budget from presenting a consolidation of the separate budget requests for the Appalachian regional program to the Committee on Appropriations, nor is enactment of S. 602 necessary to permit the Committee on Appropriations to assign jurisdiction of the entire Appalachian program to a single subcommittee, if it so desires. Furthermore, the Federal Cochairman of the Appalachian Regional Commission could request that he be permitted to testify before the subcommittees of the Committee on Appropriations relative to the Appalachian program portion of each of the appropriate department's budgets and to otherwise participate in the committee's consideration

of his budget. These amendments are an obvious attempt by the Administration, which requested the change, to dictate the internal organization and jurisdiction of the Committee on Appropriations.

Enactment of this bill will in no way change the initial proposal and preparation of the Commission's budget by the Commission or its review by the Bureau of the Budget. If the procedure operates as intended by the Committee on Public Works, it will establish, however, two additional layers of officialdom through which the funds will be transferred or allocated before reaching the departments that have the responsibility for implementing the program.

It is understood, according to the report of the Senate Committee on Public Works (Rept. No. 161, 90th Cong., first sess.), that funds to be appropriated to the President, under authority of this bill, will be transferred by him to the Federal cochairman of the Commission, who in turn will allocate funds to appropriate departments to carry out the programs authorized by the act and make grants to the Appalachian Regional Commission for administrative expenses of local development districts and for research.

Such circuitous routing of appropriated funds is not needed, and it is highly undesirable. The appropriation of Appalachian program funds to the President would carry with it personal responsibility of the President for the proper administration, allocation, and expenditure of such funds. The President of the greatest Nation on earth does not have time to divert his attention from ever-increasing world and national problems to personally administer any individual governmental program. That is not a President's function. If it is intended that the President act merely as a conduit for the transfer of appropriated Appalachian program funds to the Federal Cochairman of the Appalachian Regional Commission, with no guidance, supervision, and oversight responsibilities being assumed by the President in the allocation and expenditure of such funds, then it is subterfuge to authorize the appropriation of funds to the President in the first place.

There is no provision in the bill which either requires or authorizes the President to transfer appropriated Appalachian funds to anyone, except the authority for the President to provide supplemental grant funds, under section 214 of the act, to the Federal Cochairman. This provision, however, applies to only $71 million of the total of $935 million authorized to be appropriated to the President by this bill. In fact, under the provisions of section 120 of the bill, which amends section 302 of the act pertaining to administrative expenses of local development districts and research and demonstration projects, the President's only express authority is to make grants to the Commission. There is no language in this section authorizing the President to transfer appropriated funds to the Federal Cochairman for him to use in making grants in behalf of the President. Nevertheless, that may be what is planned.

If the President can transfer appropriated Appalachian program funds to the Federal Cochairman of the Appalachian Regional Commission and thereby relieve himself of personal responsibility for the proper allocation and expenditure of such funds, as is apparently intended, it would seem that he could likewise transfer such funds, in whole or in part, to any number of other possible recipients, including the Appalachian Regional Commission or one or more of the several departments implementing individual programs under the act. In the event the funds are transferred by the President,

where does responsibility lie for its proper expenditure? Who is accountable to the Congress? The Presidential conduit can take directions never intended by Congress and can insulate from Congressional scrutiny and oversight actions taken with respect to the funds.

The Congress should determine what Federal officials are responsible for administering, allocating, and expending funds appropriated to carry out the provisions of the Appalachian Regional Development Act—not the President. The Congress should have ready access to such officials, who may be called upon to personally account for their stewardship and administration of appropriated funds before committees of the Congress. The appropriations should not be made to the President, or to any other official whose appearance as a witness before congressional committees is not assured. The Congress should not be forced to rely upon messages or statements made by representatives of the recipient of the appropriations concerning allocations and expenditures and justifications for future appropriations. Committees of the Congress should have the opportunity to personally interrogate the official to whom the funds are appropriated and who is ultimately responsible for proper expenditure of the funds.

There is no justification for this change in light of the resulting confusion, pyramiding of officials through whom the appropriated funds will pass, and dilution of responsibility for the expenditure of such funds. Appalachian program funds should continue to be appropriated, as under existing law, to the executive departments responsible for carrying out individual programs authorized by the act and to the Secretary of Commerce for supplemental grants.

Expansion of Appalachian Region

Section 123 of S. 602 would expand the Appalachian region by adding 24 counties: one in New York, one in Tennessee, two in Alabama, and 20 in Mississippi. The only apparent reason for adding the two Alabama counties is to make the Mississippi counties more contiguous to the Appalachian region.

When the Congress enacted the Appalachian Regional Development Act of 1965, it did so on the basis that it was providing special assistance to help solve specific economic problems within an identifiable region.

The 1964 report by the President's Appalachian Regional Commission described the region as follows:

> Appalachia is a region apart—geographically and statistically. It is a mountain land boldly upthrust between the prosperous eastern seaboard and the industrial Middle West—a highland region which sweeps diagonally across 10 States from northern Pennsylvania to northern Alabama. Its ridges and twisted spurs and valleys measure to 160,000 square miles—an area 10 times the size of Switzerland.

Adding the 20 Mississippi counties listed in the bill would extend the Appalachian region some 50 miles westerly, to a point as far west as Madison, Wis. These counties in no way fit the description of "a mountain land boldly upthrust" and are chiefly characterized by their *lack* of "ridges and twisted spurs and valleys." The U.S. Geo-

logical Survey, in a map of land-surface form prepared for publication the the *National Atlas*, classified an area including the two Alabama counties and a narrow strip along the Mississippi-Alabama State line as "open hills." The greatest part of the area within the Mississippi counties which would be added to the region is classified as "irregular plains."

The Appalachian Regional Development Act of 1965 was based upon a comprehensive study of specific needs within the Appalachian region, and the act provided for specific programs to meet those needs. Although the Senate report contains a statement to the effect that almost the entire State of Mississippi shares certain conditions characteristic of the entire Appalachian region, there is no persuasive evidence that the specific programs set forth in the Appalachian Regional Development Act of 1965 would be the proper remedy to cure the economic ills of these additional counties in Mississippi and Alabama. For example, the 1964 report of the President's Appalachian Regional Commission discussed the need for a special highway program in Appalachia and contained the following statement:

> The remoteness and isolation of this region, lying directly adjacent to the greatest concentrations of people and wealth in the country, is the very basis of the Appalachian lag. Its penetration by an adequate transportation network is the first requisite of its full participation in industrial America.

Although the lion's share of the funds made available for special programs in the Appalachian region is for the development highway program, it appears that there are no plans to extend this development highway program into the Mississippi counties.

We also believe that enlargement of the Appalachian region is totally inconsistent with the enactment of the Public Works and Economic Development Act of 1965.

The report of the House Committee on Public Works on the Appalachian Regional Development Act of 1965 responded to criticism that the act provided for preferential treatment of one region by stating, "The committee recognizes that there are other regions of the United States which face severe problems of unemployment and low income." The report then referred to Presidential assurances that "the means for establishing such other needed regional efforts will be made available through other legislation." The Public Works and Economic Development Act of 1965 was presented to the Congress as being that "other legislation."

The report of the House Committee on Public Works concerning that act described it as being based upon three previous acts, one of which was the Appalachian Regional Development Act of 1965, and described the proposed legislation as containing "authority to assist other needy regions to get organized and to develop their action plans for programs of future regional economic development."

If the Appalachian region is enlarged to include countries not geographically a part thereof, it will be a recognition by the Congress that the Public Works and Economic Development Act of 1965 is inadequate, and this, in turn, will further emphasize the fact that the special treatment afforded the Appalachian region is discriminatory to other parts of the Nation.

Schoharie County, N.Y., is eligible for all of the benefits provided under the Public Works and Economic Development Act of 1965.

One of the two Alabama counties to be added (Pickens) is eligible for such benefits, and 10 of the 20 Mississippi counties are eligible, while Cannon County, Tenn., Lamar County, Ala., and 10 of the Mississippi counties do not meet the criteria of economic deprivation needed to qualify for assistance under that act.

Of the 20 Mississippi counties, 18 make up the Tombigbee River Water Management District and the Northeast Mississippi Resources Conservation and Development Project Area, and the other two have indicated an intent to join the district. This represents an organized economic planning area. A recent publication of the Office of Economic Opportunity describes some 459 Federal programs for the assistance of individuals and communities. Surely, among the vast numbers of Federal assistance programs, the organized economic planning area, comprising these Mississippi counties, can find the needed economic assistance. It is unnecessary and undesirable to enlarge the already swollen Appalachian region by adding more counties which are not, in fact, a part of that geographical region.

Excessive Authorization of Funds

S. 602, as reported by the Committee on Public Works, would authorize the appropriation of $220 million for the 2-fiscal-year period 1968 and 1969 for Appalachian programs other than the development highway and access road program, and administrative expenses of the Commission.

In addition to this $220 million, the bill authorizes the appropriation of $715 million for development highways and access roads for fiscal years 1968 through 1971, which is an increase of $175 million over existing authorizations, and $1.7 million for administrative expenses of the Commission for the 2-fiscal-year period 1968 and 1969. S. 602 authorizes the appropriation of a total of $936.7 million, of which $396.7 million are new authorizations.

Of considerable significance is the relationship between the amounts to be authorized to be appropriated, the President's budget requests, and the amounts appropriated and committed in prior years.

The following table shows a financial analysis of the Appalachian regional development program:

APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965, PUBLIC LAW 89-4, FINANCIAL ANALYSIS

[In millions of dollars]

Section	Program	Department	27-month authorization	Appropriations								Committed as of June 30, 1967	Carryover	Unappropriated authorization	S. 602 authorization	S. 602 Carryover (±)	Budget request, fiscal year 1968
				Fiscal years 1965 and 1966 (15 months)				Fiscal year 1967			Total appropriation						
				Request	Appropriation	Committed	Carryover	Request	Appropriation	Available							
105	Administrative expenses	ARC	[1] 2.40	1.30	1.29	1.29	0	1.11	1.10	1.10	2.39	2.39	0	.01	1.70	1.70	0.785
202b	Health facilities	HEW	41.00	21.00	21.00	0	21.00	2.50	2.50	23.50	23.50	0	23.50	45.50	50.00	73.50	15.00
202c	Health opportunities	HEW	[2] 28.00														
203	Soil conservation	Agriculture	17.00	8.50	7.00	6.38	.62	4.38	3.00	3.62	10.00	10.00	0	7.00	19.00	19.00	3.00
204	Timber development	do	5.00	1.35	1.00	0	1.00	.50	0	1.00	1.00	.75	.25	4.00	1.00	1.25	0
205	Mineral resources	Interior	36.50	18.00	16.00	10.77	5.23	10.57	7.00	12.23	23.00	20.90	3.95	11.65	30.00	33.95	.80
	Fish and Wildlife				1.35	0	1.35	1.35	.50	1.85	1.85						.40
206	Water resources	Engineers	5.00	1.70	1.50	1.23	.27	1.80	1.60	1.77	3.00	3.00	0	2.00	2.00	2.00	2.00
207	Housing	HUD	New												5.00	5.00	0
211	Vocational education	HEW	16.00	8.00	8.00	3.42	4.58	8.00	8.00	12.58	16.00	15.99	.01	0	26.00	26.01	7.00
212	Sewage treatment	Interior [3]	6.00	3.00	3.00	1.56	1.44	3.00	3.00	4.44	6.00	5.00	1.00	0	6.00	7.00	3.00
214	Support grant	Commerce	90.00	45.00	45.00	18.19	26.81	35.00	30.00	56.81	75.00	64.00	11.00	15.00	71.00	82.00	30.00
215	Culture	A. & H	New														0
302	Res. LDD	Commerce	5.50	3.00	2.50	1.60	.90	3.00	2.75	3.65	5.25	3.02	2.23	.25	10.00	12.23	3.00
401	Total (excl.)	Highways	252.40	110.85	107.64	[4] 44.42	[4] 63.22	[4] 71.20	59.35	[4] 122.57	166.99	125.05	41.94	85.41	[5] 220.00	[5] 261.94	[5] 64.20
201	Highway system	Commerce	[6] 805.00	200.00	200.00	176.55	9.22	130.00	100.00	109.22	300.00	171.00	129.00	540.00	715.00	844.00	100.00
	Access roads		[6 7] 35.00			14.23											
	Total		1,092.40	310.85	307.64	235.20	72.44	201.20	159.35	231.79	466.99	296.05	170.94	625.41	936.70	1,107.64	164.985

[1] 2.20 from sec. 105 plus 0.20 from sec. 401.
[2] Not to be appropriated or needed until construction facilities are completed under sec. 202b.
[3] Transferred from HEW to Interior per Reorganization Plan No. 2 of 1966, effective date May 10, 1966.
[4] Totals do not agree due to rounding of figures.
[5] Does not include sec. 105 which under S. 602 would be only funds not authorized to be appropriated to the President.
[6] 6-year authorization.
[7] Authorization of sec. 201 is 840.00. Appalachian Regional Commission apportioned funds as shown.

It will be noted that the total amount authorized for administrative expenses of the Commission and for Appalachian programs, other than highways, for fiscal years 1965 (3 months only), 1966, and 1967 was $252.4 million. The budget requests for that period totaled $182.05 million and $166.99 million was actually appropriated. Of that amount, only $125.05 million was committed by the end of fiscal year 1967, leaving a balance of $41.94 million, which is available until expended.

Since the Appalachian Regional Commission has been unable to commit more than $125 million in the first 2 years and 3 months, for Appalachia programs other than highways, it seems ridiculous to authorize the appropriation of $220 million for the succeeding 2 years for the same purposes, plus $1.7 million for administrative expenses of the Commission.

In addition to this, the budget requests for Appalachian programs, other than highways and Commission administrative expenses, total $64.2 million for fiscal year 1968. If this amount is appropriated, the Administration will have $106.14 million (budget requests plus $41.94 million carryover) to commit during fiscal year 1968—substantially more than has been committed in any prior year.

If the proposed authorizations of $220 million for fiscal years 1968 and 1969 are enacted, and if the amounts of the President's budget requests for fiscal year 1968 are appropriated without change, there would remain authorized for appropriation for fiscal year 1969 the sum of $155.8 million, which is about 47 percent more than the amount expected to be committed in fiscal year 1968. Perhaps it is not coincidental that fiscal year 1969 is a presidential election year.

It has become the practice of the present Administration to ask the Congress to authorize the appropriation of huge amounts of money for widely publicized programs which appeal to the emotions and imagination of the people of the Nation—and then to ask for the appropriation of substantially lesser amounts to actually carry out the programs. By so doing, the Administration apparently hopes to please everybody—those who are in favor of economy in Government, as well as those who evidently think the Treasury of the United States is a perpetual fountain. The Administration appears to be oblivious to the disappointments and frustrations of those who expect so much of widely publicized programs and receive so little.

We believe that the responsibilities of the Congress go beyond the close and careful scrutiny of requests for the appropriation of funds. We believe that it is the responsibility of the legislative committees and of the Congress to insure that amounts authorized for particular programs bear reasonable relationship to the programs to be actually undertaken.

Authorizing the appropriation of $220 million for fiscal years 1968 and 1969, when the President's budget request is for only $64.2 million for fiscal year 1968, would permit a level of spending in 1969 almost 50 percent greater than expected in 1968, and almost three times the average annual level of commitments during the first 27 months of the program.

It seems obvious that one of two situations exist: Either the President has no intention of asking for appropriation of the full amounts the Administration requested be authorized to be appropriated, or he plans to launch a hugely expanded spending program in a year that

interestingly happens to be a presidential election year. We belived that the amounts to be authorized by S. 602 should be reduced to provide for a level of commitments for fiscal year 1969 comparable to that which the budget requests of the President indicate will be undertaken during fiscal year 1968.

Adding New Programs in Appalachia

When Congress enacted the Appalachian Regional Development Act of 1965, it established a one-shop, 6-year program to provide special assistance to help solve specific economic problems within a clearly defined area, in response to recommendations made by the President's Appalachian Regional Commission. The Congress determined by this enactment the basic facilities needed to attack the common needs of the region and to promote its economic growth and provided Federal financial assistance for such facilities.

Since the Appalachian program is temporary and is designed to meet certain specific needs of the region, there is no justification to tack on to this program, as it approaches its mid point, new and additional kinds of Federal financial assistance to serve purposes and needs not contemplated in the 1965 act. We strongly oppose any enlargement of the scope of the Appalachian program, including the following new kinds of financial assistance and activities which would be added by this bill.

LOW- AND MODERATE-INCOME HOUSING ASSISTANCE

Section 112 of S. 602 creates an entirely new program of Federal financial assistance for planning and other preliminary expenses of low- and moderate-income housing projects in the Appalachian region. This section would authorize the Secretary of Housing and Urban Development to make grants and loans to nonprofit, limited dividend, or cooperative organizations, or to public bodies for expenses of planning and of obtaining insured mortgages for housing construction or rehabilitation projects, under section 221 of the National Housing Act.

Grants may be made to nonprofit organizations for 80 percent of the administrative expenses incident to planning a project and obtaining an insured mortgage, which the Secretary considers not to be recoverable from the proceeds of a mortgage insured under section 221.

Loans may be made for 80 percent of the cost of planning a project and obtaining an insured mortgage under section 221, including, but not limited to, preliminary surveys and analyses of market needs, preliminary site engineering and architectural fees, site options, Federal Housing Administration and Federal National Mortgage Association fees, and construction loan fees and discounts. These loans can be made without interest, or at any market or below market interest rate authorized for a mortgage insured under section 221.

Not only is this section objectionable because it creates a new and additional kind of financial assistance over and above that contemplated by the Congress when the Appalachian program was enacted in 1965, but it should not be enacted into law for a number of additional reasons.

The Secretary of Housing and Urban Development would be authorized, except in the case of a loan to an organization established

for profit, to "waive the repayment of all or any part of a loan made under this section, including interest, which he finds the borrower is unable to recover from the proceeds of a mortgage insured under section 221." Probably in most cases, borrowers would contend that they were unable to recover planning and other preliminary expenses from up to 100 percent construction loans insured under section 221, and the planning and preliminary expense loans would be converted into Federal grants.

This is a disturbing provision. We feel that one who secures a loan from the Federal Government should have the same responsibility of repaying it as he would if the loan had been obtained from a private banking institution. Such a forgiveness provision will encourage borrowers not to repay loans at the expense of all of the taxpayers of the Nation.

This new program is being established supposedly to encourage the construction or rehabilitation of housing to meet the needs of low- and moderate-income families and individuals. Yet, there is no definition in the bill, or in section 221 of the National Housing Act, of what constitutes a low- or moderate-income family or individual. We feel that a definition should be written into law rather than it being left to the discretion of the Secretary.

There is no definition in the bill of administrative expenses or expenses of obtaining an insured loan, other than a partial listing of purposes for which loan money can be expended. Inasmuch as the Secretary would be authorized to make 80 percent Federal grants and loans for such expenses, this is a substantial ommission. Apparently, it is intended that the expenses eligible for grants differ from those eligible for loans, but this distinction cannot be ascertained from the language of the bill. Presumably, among other things, the fees charged by attorneys, lobbyists, expediters, public relations firms, and others to promote projects and influence favorable actions by the Appalachian Regional Commission, the Secretary, and other public officials would be eligible for 80 percent Federal grants and loans. Members of Congress are being asked to write a blank check for whatever the Secretary decides to include in eligible expenses, rather than Congress making the determination.

The House Committee on Public Works has no legislative jurisdiction over, or expertise on, housing legislation. The new grant and loan program created by this section is a major addition to existing housing laws. It is more far reaching than the mere inclusion of an existing program in the Appalachian Regional Development Act of 1965. Legislation of this importance should not have been reported by the Committee on Public Works without it first being considered by the Committee on Banking and Currency. The recommendations of that committee, which has jurisdiction over housing legislation and years of experience in the field of housing, should have been sought. Housing legislation is quite complex and interrelated, and the need for this section and its effect upon existing housing laws and programs are unknown.

DEVELOPMENT OF A NEW ACID MINE POLLUTION CONTROL PROGRAM FOR APPALACHIA

Section 120(b) of S. 602 would authorize the Appalachian Regional Commission to make a survey and study of acid pollution in the

Appalachian region to develop a comprehensive action program for the control, reduction, or elimination of such pollution or its effects. This new study could result in the formulation of an entirely new massive program for the region.

The enactment of this section was not sought by the Administration, the Appalachian Regional Commission, or the Secretary of the Interior.

If this study is needed, and we question that it is, then sufficient authority to conduct a survey and study of acid pollution from mines already exists in section 5 of the Federal Water Pollution Control Act, as amended. Under this provision of existing law, the Secretary of the Interior could conduct the study called for by section 120(b) of S. 602, as reported, through an existing, ongoing research program. This would prevent the needless duplication which would arise from the enactment of section 120(b) of the reported bill.

The Department of the Interior is presently carrying out much work in the area of acid pollution from mines. The Federal Water Pollution Control Administration (FWPCA) estimates its expenditures for research and development with respect to acid pollution from mines for fiscal year 1967 were $1,572,255. The FWPCA also estimates that it will expend nearly $3 million on research and development on this problem in fiscal year 1968. The Bureau of Mines, the Bureau of Sports Fisheries and Wildlife, the Geological Survey, and the Office of Saline Water are also engaged in activities relating to acid pollution. Many of these activities, if not most of them, are carried out in the Appalachian region. The Department of the Interior has the expertise and the technical knowledge presently to recommend any programs of action that may be needed in the area.

Part of the subject matter of the survey and study called for by this bill have already been examined under the survey and study of strip and surface mining operations and their effects in the United States, which was required by section 205(c) of the 1965 Appalachian Act. The report on this study was submitted to the Congress on July 3, 1967. One of the features of the report relates to pollution of America's waters by acid from strip and surface mines, one of the main sources of acid pollution in Appalachia. Approximately 25 percent of all coal mining in the United States is surface or strip mining; however, the greatest portion of such surface and strip coal mining in the United States lies in the Appalachian region. With respect to underground mines, with which the proposed new study would primarily concern itself, the major aspect of the Department of the Interior's acid pollution activities has been the sealing of such underground mines, a matter toward which the new acid pollution study is aimed. The Secretary of the Interior can carry out such a study under authority now in the law.

Since 38 States of our Nation have coalfields, and inasmuch as these States suffer, in varying degrees, from acid pollution, we feel that this proposed new study would lead to another preferential program for Appalachia which discriminates against the rest of the Nation. The Secretary of the Interior's report to Congress of July 3, 1967, encompasses all the States plagued with this problem within its recommendations. We are opposed to the enactment of proposals which would discriminate any further against those areas of our Nation which lie outside of the Appalachian region.

We see no reason to undertake a new program for the Appalachian region when the 6-year period of life of this economic development effort is almost half over. The concepts underlying the enactment of the Appalachian Act in 1965 were for the acceleration of existing programs within the region to meet critical economic development needs. There is no necessity for starting a new program for the region, a program that could eventually cost as much as $200 million in Federal funds, according to administration estimates for action needed to rectify this problem.

Section 120(b) should be stricken from S. 602.

Unwarranted Amendments to the Public Works and Economic Development Act of 1965

Title II of S. 602 would amend the Public Works and Economic Development Act of 1965 in two major particulars: First, it would require that not to exceed $2.5 million of the funds authorized for technical assistance and research be allocated each year to each regional commission. Second, it would authorize the appropriation of funds for a supplemental grant program in each economic development region, similar to the supplemental grant program available under the Appalachian Regional Development Act of 1965. The bill would authorize the appropriation of $5 million for fiscal year 1968 and $10 million for fiscal year 1969 for each region.

The basic purpose of S. 602 is to authorize the appropriation of funds for the continuation of the Appalachian development program. This bill is not the proper place for substantive amendments to the Public Works and Economic Development Act of 1965. Proposals to enlarge the Economic Development Act program should be considered on their own merits, and should not be attached to a bill dealing with a different subject, like the tail of a kite.

The Public Works and Economic Development Act of 1965 already contains authority for the Secretary of Commerce to make supplemental grants to increase the Federal share of the cost of projects undertaken under the various Federal grant-in-aid programs. Existing authority, however, is limited to projects within counties or areas which meet the criteria of economic deprivation necessary for Economic Development Act assistance. Under the supplementary grant program, which would be added by title II of S. 602, supplementary grants could be made for projects within *any* county in an economic development region, regardless of its economic condition. Prosperous counties and communities would be eligible for supplementary grants as well as those which are economically deprived. This certainly was not the intention of Congress when it enacted the Public Works and Economic Development Act of 1965.

The administration did not ask for these amendments; the budget request of the President contains nothing for the additional supplementary grant program which would be added; the Committee on Public Works has heard no testimony from the administration nor from the regional commissions regarding these amendments. The Senate Committee on Public Works held no hearings regarding this portion of S. 602.

In discussing these amendments, during the debate on S. 602 in the other body, the distinguished chairman of the Senate Committee on Public Works stated:

> It is impossible for me, however, to accept an amendment for the authorization of substantial sums of money for programs which have not been given adequate hearing. I have no reason to doubt the validity of the request or the beneficial results which will be achieved by the construction of projects financed by this request. But I do not see how we can avoid the established order in carrying out the business of the Senate. I have assured the Senator from Oklahoma and the Senator from Arkansas that I am ready to hold hearings, no later than mid-July, on legislation to authorize funds for programs for the title V regions. I believe that the commissions so established and already in existence can formulate the kinds of programs and secure the backup data necessary to qualify for favorable decisions by the Committee on Public Works and the Senate. I request that we be accorded opportunities to reach decisions in the normal and reasoned way in which these matters should be handled. (*Congressional Record*, Apr. 27, 1967, p. S5995).

Despite this statement, the chairman of the Senate Committee on Public Works further stated:

> The members of the Committee on Public Works tried within the limits of the record before us to provide what amounts to seed money in the form of supplements to the existing Federal grant-in-aid program.

It is pertinent to inquire as to the magnitude of this "seed money" proposal which was enacted without the benefit of congressional hearings.

Section 202 of the bill would amend section 505 of the Public Works and Economic Development Act of 1965 by requiring that not to exceed $25 million of the funds authorized for regional technical and planning assistance be allocated each year to *each* of the regional commissions. Five regional commissions have been established. Allocations to these five regional commissions could total $12.5 million annually. At least two additional regional commissions have been proposed. If these are established, allocations of regional technical and planning assistance to the commissions could total $17.5 million annually. It is interesting to note that under the Public Works and Economic Development Act of 1965 a maximum of $15 million is authorized to be appropriated for each of the fiscal years 1966–70, for *both* regional technical planning assistance *and* for payment of the administrative expenses of the regional commissions. Thus, the amounts to be allocated to the regional commissions could exceed the total amounts authorized for the purposes of this section.

Section 203 of the bill would authorize the appropriation of $5 million for fiscal year 1968 and $10 million for fiscal year 1969 for *each* of the regions for supplemental assistance for Federal grant-in-aid programs. The total amount made available for the five existing regions for which commissions have been established could be $25 million in fiscal year 1968 and $50 million in fiscal year 1969, which is a total of $75 million. If the two proposed additional regional commissions are

created, this would add an additional $10 million for fiscal year 1968 and $20 million for fiscal year 1969, for a total of $105 million.

We are in full accord with the sentiment of the respected chairman of the Senate Committee on Public Works regarding the undesirability of accepting "an amendment for the authorization of substantial sums of money for programs which have not been given adequate hearing." We apparently differ, however, regarding the definition of "substantial sums of money." In our opinion, $105 million of the taxpayers money constitutes a substantial sum.

Since neither the House nor the Senate committee has obtained information or testimony sufficient to justify these amendments to the Public Works and Economic Development Act of 1965, and since the chairman of the Senate Committee on Public Works has publicly announced that hearings on this subject will begin at an early date, we urge our colleagues to support our efforts to amend S. 602 by striking out title II.

Conclusion

While we objected to enactment of the special Appalachian program in the first place, and object to the expansion of the program now, this implies no criticism of the Appalachian Regional Commission. The evidence available to the committee indicates that the program is being honestly and conscientiously administered, even though there is no way of assessing its success or lack of success at this time.

The expenses of the war in Vietnam are constantly increasing. The economic strain of the Nation is becoming increasingly more severe. The President, in his fiscal and tax policy message which was sent to Congress on August 3, 1967, stated that unless expenditures are tightly controlled the national deficit for fiscal year 1968 is likely to be from $23.6 billion, even if the President's originally proposed 6 percent tax surcharge were enacted into law, to more than $28 billion if no tax increase is approved by Congress. The President has proposed a tax increase, but so far has given no real indication of making a sincere effort to reduce Federal spending in 1968 and subsequent years for nonessential Federal programs.

This is certainly no time for the Congress to authorize an expansion of a program which was initially urged upon the Congress as an experiment. When S. 602 is debated on the floor of the House, we will strive through appropriate amendments to limit the Appalachian program to its current level. We will also seek to strike out title II of the bill, which amends the Public Works and Economic Development Act of 1965, in order that the Committee on Public Works may be given time to hear testimony and explore the merits or demerits of this particular program. We urge our colleagues to join us in these efforts.

William C. Cramer.
Don H. Clausen.
Fred Schwengel.
Henry C. Schadeberg.
Robert V. Denney.
Roger H. Zion.
Jack H. McDonald.

SUPPLEMENTAL VIEWS

We concur in the foregoing minority views, which we have signed. However, we feel constrained to voice strong opposition to section 203 of the Appalachian Regional Development Act of 1965, entitled "Land Stabilization, Conservation, and Erosion Control," and the provisions of section 108 of S. 602, to amend section 203, to authorize additional appropriations to carry out that section.

The minority opposed the enactment of section 203 of the act in 1965. We feel that opposition to this particularly unfair and discriminatory section should not lapse and that opposition to any expansion of the program or any additional authorizations for appropriations to carry out the section is essential.

Section 203 of the 1965 act authorized the Secretary of Agriculture to enter into agreements of not more than 10 years with landowners, operators, and occupiers, individually or collectively, for payment by the Federal Government of up to 80 percent of the costs of providing for land stabilization, erosion and sediment control, and reclamation through changes in land use, and conservation treatment including the establishment of practices and measures for the conservation of soil, water, woodland, wildlife, and recreational purposes.

This preferential section was entitled "Pasture Improvement and Development" in the Appalachian legislation of 1964. This bill was reported by this committee, but no further action was taken by the House as opposition to its provisions mounted. The 1964 bill would have authorized the Secretary of Agriculture to make grants to landowners in amounts of up to 80 percent of the costs of improving and developing 25 acres of pastureland owned by such landowner in the region. The 1964 proposal was considerably broadened in the 1965 act to include lands other than pastureland and to increase the acreage available for assistance to 50 acres, despite the fact that there was no increase in funds available to carry out the section. This generated substantial concern as to the standards of the conservation program which was to be established and the effectiveness of the techniques to be employed, for it was obvious that it would cost more to improve 50 acres than 25 acres.

However, with reasonable assurances that section 203 would not be used to put more land into pasture, the section was enacted in 1965 without the intensity of the opposition which had arisen to confront it in the previous year.

After closely examining the operation of this program since its enactment over 2 years ago, we feel that it is clearly in the public interest not to authorize any additional funds to carry out section 203.

The section is patently discriminatory to the rest of the Nation.—That "mountain land boldly upthrust between the prosperous eastern seaboard and the industrial Middle West, a highland region," which we know as Appalachia, is not a particularly productive agriculture area. For the most part, it is a land of upthrust mountains and of narrow valleys, a land of barren rock and scarred earth. A great part of the

Appalachian region is not even suitable for economic agricultural production. Yet, under the provisions of section 203, this region is being given federally financed preferential treatment over the more productive agricultural areas of our Nation, areas which are in many instances in dire need of preserving immeasurably valuable and fertile topsoil through enhanced conservation, erosion control, and land stabilization measures.

In addition to conservation programs for which all sections of the Nation are eligible, the Appalachian region gets special treatment for its land problems. This is most unfair to other sections of the Nation, like the Black Belt areas of the South and the plains regions of our great Midwest, which need additional assistance to save valuable topsoil that is an essential national resource.

Section 203 funds for erosion control are being expended for the improvement of pastureland and cropland, and for fencing, hunting, fishing and sporting improvement, and recreation.—There is no provision in section 203 which prohibits the expenditure of funds under the section for the improvement of pastureland and cropland. Pastureland and cropland are the backbones of agricultural regions. The great food-producing areas of America know this well. Yet funds are being expended under section 203 for pastureland and cropland improvement in Appalachia, a most unproductive agricultural area, despite assurances in 1965 that funds would not be expended for such purposes.

Democrats and Republicans alike fought in 1964 and again in 1965 to obtain assurances that section 203 would not be used for the improvement of pastureland and cropland, which would give beef and food producers in Appalachia a federally financed advantage over producers in other areas. Objections to this section was one of the principal reasons why the 1964 legislation was never considered by the House. It was for this reason alone that the 1965 legislation changed the concept underlying section 203 from pastureland improvement to supposedly a more land stabilization, conservation, and erosion control oriented section. Today, section 203 money is being used to improve pastureland in spite of assurances to the contrary.

The most recent figures on expenditures under section 203 indicate that over three-fourths of all funds expended have been either for improvement of existing pastureland and cropland or for the conversion of unused land into pastureland or cropland, with the remainder of the expenditures being made for the conversion of existing pastureland and cropland into forest land and for wildlife and recreation enhancements.

To our great surprise, we have also discovered that section 203 funds—intended for land stabilization, conservation, and erosion control—have been expended for such diverse items as pastureland fencing, hunting and fishing enhancement, sports facilities improvement, and recreation. This is pure nonsense, in our opinion.

This is a most unauspicious time to be spending money on pastureland improvement to support larger beef stocks.—During the past half decade the production of beef in the United States and the importation of beef reached alltime highs, resulting in the decline of gross cash receipts for beef producers and a reduction in the average net price of beef for the producer. Although this problem is not as critical today as it was several years ago, it still remains a problem of great concern for our beef-producing and dairy areas.

Section 203 has the effect of subsidizing dying, marginal farmland.—Providing Federal assistance to farms of a marginal character for the improvement of cropland and pastureland will have the effect of subsidizing these marginal units and thus prolonging the inevitable closing of uneconomic farm units and delaying the development of higher and better uses for such lands.

We feel that one of the cruelest aspects of this land improvement section, as the minority pointed out in 1965, is the false hopes which it raises among many farmers in Appalachia by subsidizing uneconomic farm units and, thereby, leading farmers to believe that their farms can become viable, productive, economic units when, in fact, this cannot be done.

We feel this section will perpetuate the status quo rather than doing away with rural poverty.

The administration unwisely seeks increased authorizations for appropriations for section 203 while at the same time failing to ask for appropriations even equal to the authorizations for the past fiscal years.—The administration's own budgetary actions with respect to section 203 show better than anything else that the program is not needed in Appalachia. The 1965 act authorized the appropriation of $17 million to carry out section 203 for the last 3 months of fiscal year 1965 and for all of fiscal years 1966 and 1967.

Despite the administration's cries about the need for these funds in the Appalachian region, the administration requested only $12.88 million appropriations for section 203 for that 27-month period, some $4.12 million less than that authorized. Of the $12.88 million requested by the administration, only $10 million was appropriated by an administration-dominated 89th Congress. The $10 million appropriation is slightly more than one-half of the authorizations for the section. To us, this does not indicate a great need for section 203 expenditures in Appalachia.

Despite the obvious lag in implementation of this section, the administration has asked for an increased authorization for appropriations for fiscal years 1968 and 1969, to carry out section 203, in the amount of $19 million.

The administration has requested appropriation of only $3 million of this $19 million for fiscal year 1968, leaving an authorization balance of $16 million for fiscal year 1969. The request of a mere $3 million for fiscal year 1968 indicates to us that this program is not needed.

Section 108 of S. 602 should be stricken out.

William C. Cramer.
Don H. Clausen.
Fred Schwengel.
Henry C. Schadeberg.
Robert V. Denney.
Roger H. Zion.
Jack H. McDonald.

ADDITIONAL VIEWS

Consideration by the Committee on Public Works of S. 602, which amends both the Appalachian Regional Development Act of 1965 and the Public Works and Economic Development Act of 1965, again presented the minority members of the committee with the unsurmountable problem of trying to prepare alternative, more effective legislation without staff assistance in the highly specialized field of economics. Since 1962, when the Committee on Public Works considered legislation that was enacted that year as the Public Works Acceleration Act, this committee has been responsible for handling legislation designed to promote economic growth of, and to reduce unemployment in, various portions of the country through Federal grants and loans for public and other facilities, and by providing other types of financial assistance. As additional social legislation such as the Appalachian Regional Development Act of 1965 and the Public Works and Economic Development Act of 1965, was considered by the committee and enacted into law, the minority made repeated requests of the chairman of the committee to authorize the employment of a qualified and experienced economist on the minority staff. All such requests have been rejected.

These Federal economic stimulation programs can have far-reaching impact, either beneficial or detrimental, upon both the areas of the Nation to which they apply and other areas which do not qualify for the assistance provided. The massive spending of Federal funds, together with required matching funds, can substantially affect the economy of the entire Nation, the national debt, inflationary spirals and the value of the dollar, the location of new industrial and commercial enterprises, and decisions to close or to not enlarge existing enterprises.

It is impossible for individual Members of the Congress to become experts in every field in which Congress legislates. Of necessity, Members must rely upon committee staffs, who are experts in specialized fields, to collect mountains of data needed for a full understanding of the problems proposed to be alleviated by legislation, to organize and digest such material into manageable proportions, and to evaluate the material in light of their specialized knowledge and experience.

In the absence of such staff assistance, enactment of legislation to cure economic ills must to a large measure be pursued in a hit or miss fashion without any assurance that the benefits to be produced justify the cost, or that the legislation will achieve the results desired.

Not only do the minority members of the Committee on Public Works suffer from the lack of an adequate number of staff members with varied professional training and experience, but so do the majority members. The majority, likewise, has no economist on the committee staff to review, analyze, and make recommendations with respect to the ever increasing social and economic proposals coming before the committee. The obvious result is that, as to economic considerations, the committee must stumble along as best it can

without being able to make adequate evaluation of legislation requested by the executive branch, whose witnesses come before the committee armed with facts and figures to prove whatever they desire.

When faced with the substantial amendments, contained in S. 602, to both the Appalachian Regional Development Act and the Public Works and Economic Development Act, we desired to make a complete review of the effectiveness of both of these programs, for there are obvious deficiencies and objectionable features in each. We desired to combine the two programs into one nationwide program to eliminate duplication and to make the resulting program more effective. We think the vast resources of the private sector of the economy should be made an integral part of a comprehensive economic development program, rather than relying principally upon Federal subsidies, as is now the case.

When faced with the monumental task of searching out and collecting essential information and data, visiting representative areas of the country to determine their problems and needs, conferring with State and local officials and business leaders in an effort to develop a really workable and effective program, we soon came to the conclusion that our limited, though capable, staff could not even make a dent in this workload in the time available to us. Reluctantly, we were forced to abandon, at this time, the development of constructive alternative legislation.

The public interest is not served when a committee of the Congress is unable to properly analyze and evaluate proposed legislation and to develop alternative measures itself because of the lack of professional staff assistance in specialized areas. All Members of the House should be able to look to the Committee on Public Works for the detailed evaluation and fully informed consideration of legislation reported by the committee. To the extent that the committee is unable to fully discharge its responsibilities because of inadequate staff, Members of Congress are unable to legislate in the best interest of the American public, unless they can otherwise satisfy themselves that public works measures they vote upon are the best that can be produced. Obviously, they should have to look no further than the committee itself and should be able to rely upon material and recommendations produced by the majority and minority members of the committee.

We believe that the best guarantee of sound legislation and good government is knowledge that every legislative proposal on which a Member of Congress is asked to vote is subjected to critical analysis and evaluation, and that the varying viewpoints are fully developed in debate. For the Congress to endure as an informed, responsible, and effective separate branch of the Government, all viewpoints on legislation must be effectively presented. This can best be insured by preservation and strengthening of the two-party system. For the two-party system to work in the best interest of the American people, however, the minority party, whichever it may be, must be afforded adequate qualified staff assistance to fully discharge its legislative responsibilities.

In this instance, we have had to take the only course available to us, and that is to attempt to eliminate the obviously undesirable provisions of S. 602, rather than to propose a comprehensive alternative

measure to completely reorient the programs embraced by this bill, which should be done.

WILLIAM C. CRAMER.
JAMES C. CLEVELAND.
DON H. CLAUSEN.
ROBERT C. MCEWEN.
JOHN J. DUNCAN.
FRED SCHWENGEL.
HENRY C. SCHADEBERG.
ROBERT V. DENNEY.
ROGER H. ZION.
JACK H. MCDONALD.

ADDITIONAL VIEWS OF ROBERT V. DENNEY

I concur in the foregoing minority views, supplemental views, and additional views, all of which I have signed. However, I feel title I, instead of constituting mere "favoritism," is unconstitutional.

As the U.S. Supreme Court has so forcefully reminded us during the last few years, the 14th amendment provides that no State shall "deny to any person within its jurisdiction the equal protection of the laws." I submit that this is precisely what the Appalachian Regional Development Act of 1965 accomplishes. Of the 11 States originally designated as being in the Appalachian region, only one, West Virginia, is included in its entirety. Each State has a voting member on the Appalachian Regional Commission. Among other things, the Commission makes recommendations under section 103 with respect to—

> (1) the expenditure of funds by Federal, State, and local departments and agencies. * * *

And under section 106 to—

> (7) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation.

The 14th amendment language is clear, concise, and definite. It does not read equal protection *except for geographic accident, a fortiori,* Pennsylvania cannot constitutionally deprive citizens outside the Appalachian region from participating in the program. The same situation exists for the other States including New York and Mississippi which are now seeking admission under the 1967 amendment.

Although title II of this bill which amends the Public Works and Economic Development Act of 1965 leaves much to be desired, including full and complete hearings, it at least sets up constitutionally acceptable standards. Under this type of approach, all regions in the United States that are economically deprived may qualify.

I am not saying something should not be done. I have traveled in Appalachia and I personally know of the deplorable conditions that exist. But the answer cannot be through "geographical" legislation, but instead must be implemented through laws which apply uniformly to all our citizens. To paraphrase a familiar quotation, "Are votes so dear, or reelection so sweet, as to be purchased at the price of unconstitutional legislation?"

Title I should be recommitted to the committee with instructions to hold hearings on the feasibility of making it and the Appalachian Regional Development Act of 1965, a part of the Public Works and Economic Development Act.

ROBERT V. DENNEY.

ADDITIONAL VIEWS OF MR. GROVER

I concur generally in the minority, supplemental, and additional views expressed in this report with the exception of the recommended exclusion of Schoharie County in New York, which I feel, in view of its retarded economic development, should have been included in the Appalachian region's concept in its inception.

JAMES R. GROVER, JR.

ADDITIONAL VIEWS OF CONGRESSMEN JAMES C. CLEVELAND AND ROBERT C. McEWEN

We support the minority and supplemental views generally. However, we feel that if we are going to have an Appalachian program, then, in fairness, it should include all of it. To exclude the northeastern Appalachian area, considered by many to be the crowning glory of that range, underscores the unfairness and discrimination that characterizes this program.

JAMES C. CLEVELAND.
ROBERT C. McEWEN.

SEPARATE VIEWS ON S. 602

I am constrained to comment separately in regard to this legislation. I was rather amazed during the full committee consideration of this legislation that there were approximately 40 amendments offered by members of the subcommittee, including a few by the chairman of the subcommittee, indicating that the subcommittee had not really given full consideration to this legislation. I inquired privately as to the necessity for the offering of so many amendments in full committee and the obvious was confirmed.

It appears that the work of the Appalachian Regional Commission represents about the only exception among the new programs initiated by this administration which has not created more problems than it has helped to solve. I give my support to this legislation with cautious optimism, but hasten to indicate that any reluctance comes from what I believe to be an inadequate consideration of the achiements of the past 2 years and potentional problems that may or may not exist. On the surface it appears that the implementation of this act has resulted in accomplishments without charges of mismanagement, political interference, or the many other charges so prevalent in other programs. The surface should be scratched to be certain.

There are several things about the proposed amendments incorporated in the House version of S. 602 which do concern me and which I would like to see cleared up.

This legislation was originally intended to expedite the economic development of the Appalachian region which I believe to be those counties in the Appalachian Mountain area which share the similar characteristics of rugged terrain and some degree of isolation by virtue of the terrain. In 1965 the Senate added 13 new counties in New York and the Senate in the current bill has added 18 counties in the State of Mississippi, two additional counties in Alabama, and one additional county in New York to which the House Committee on Public Works has agreed. In addition, the House Committee on Public Works has added three additional counties. The House should delete any of these new counties which are not in the Appalachian Mountain Range, because it merely tends to dilute the appropriation that will be made and thereby deprive existing bona fide counties of funds that would otherwise be allotted to them. I believe I am correct in my understanding that, with one or two exceptions, these new counties do not fall within the general understanding of what we consider mountain country. If the Congress continues to increase the area covered by this program, it will lose its significance to the area it was designed to help. I am not impressed with the argument that this legislation is "favoritism." Admittedly, it is—so is agriculture legislation to the rural areas of agriculture abundance that it helps—so is urban renewal to the cities and much other legislation that is enacted.

The supplementary views of the Senator from California, Mr. Murphy, as they appear in the Senate's report on S. 602 are very compelling to me.

It is essential that the House support the committee's action in deleting from the Senate bill "the cultural programs" since this act is designed to improve the economic standards of the area affected rather than the esthetics of the area. In addition, the House should give consideration to the deletion of the title "Assistance for Planning and Other Preliminary Expenses of Proposed Housing Projects Under Section 221 of the National Housing Act," as the Farmers Home Administration and the Federal Housing Administration have been handling the situation in the Appalachian region without any serious problems and adequately enough.

As I indicated earlier, this program is about the only one which has not found itself embroiled in conflicts and disputes over jurisdiction with other agencies; this housing section could well be the end of the honeymoon in that respect.

As the members know, this act will cease to be in effect on July 1, 1971, and its 2 years of life thus far indicate that it may well accomplish the purpose for which it was designed if it can be kept within the concept of the original act.

M. Gene Snyder.

I concur in the above views.

John J. Duncan.

SUPPLEMENTAL VIEWS OF MR. HAMMERSCHMIDT

I support much of S. 602.

There is a great need for regional development. If, through State-Federal cooperation, economically depressed areas can achieve increased wealth and productivity, then the entire Nation will benefit.

I believe this creative State-Federal partnership may be the answer for the regions which have missed out on prosperity.

Coming from the Ozarks area, I am especially aware of the problems. The solutions cannot be found in welfare programs, but must, instead, result from planned attacks on the causes of economic depression and the improvement of fundamental resources so as to encourage income-generating businesses and industries. Only in this way can there be sustained economic growth.

In my judgment, we must have action for the depressed areas designated. We cannot allow modest beginnings to be deferred in the interest of additional legislative planning, or further argumentation.

Some say the areas have gained their designation through "favoritism"—but I had rather state that the areas have gained designation as worthy of special assistance because of their obvious need. For years, they have been unfavored areas in the broad sense of national economic growth.

I hold this reservation about Appalachia. This program should not be the subject of undue expansion. We have a budget situation which speaks against it, but perhaps even more important, it would stray too far afield from the original concept. Appalachia should operate within certain guidelines, and it should operate within certain designated areas. Expansion beyond these guidelines and areas might well defeat the purpose of the program—to lift the level of living and tax generation within the economically depressed region.

The wealth and riches of today's general prosperity have escaped Appalachia. They have also escaped the five regions designated in S. 602: *New England* (areas within Connecticut, New Hampshire, Massachusetts, Vermont, Maine, and Rhode Island); *the Great Lakes Basin* (parts of Michigan, Wisconsin, and Minnesota); *the Great Plains States* (South Dakota, North Dakota, Montana, and Wyoming); *the Inter-Mountain Region*—also known as *Four Corners* (contiguous parts of Colorado, New Mexico, Arizona, and Utah); and the *Ozarks Region* (parts of Oklahoma, Arkansas, and Missouri).

These five regions are treated differently in the bill than is Appalachia. In my judgment, we should work toward like programs and policies for all designated economic regions, funding them on the same basis, using the same criteria in qualifying for public funds.

I approve the approach in regional economic development efforts. It affords opportunity for a true Federal-State partnership. It demonstrates awareness that the State must supply initiative and pinpoint problems, in cooperation with the Federal resources which are fundamentally planning, administration, and money. The Federal resources

properly applied, hopefully will serve to generate ever-increasing capabilities in solving State problems.

If the program is carried out for the Ozarks, if this one economic area can grow in income-generating capacity, if the people of the area achieve an equal economic position with the national average, it would mean upward of a billion dollars a year more in tax revenues to the States and the Federal Government. The returns of economic health are just as great as the drains of economic sickness.

Title II is the valid approach to the problem of economic sickness. It should not only be retained, but should be strengthened in future legislation. This will become evident as the planning of programs develops, and each region is asked to justify their own proposals in testimony before the committees of Congress. It is my belief that these future hearings will show a great potential return on investment.

We must try to cure the regional economic ailments, not just with painkillers, but with long-term, farsighted Federal-State partnership programs as envisioned in S. 602.

JOHN PAUL HAMMERSCHMIDT.

○

Union Calendar No. 208

90TH CONGRESS
1ST SESSION

S. 602

[Report No. 548]

IN THE HOUSE OF REPRESENTATIVES

APRIL 28, 1967
Referred to the Committee on Public Works

AUGUST 8, 1967
Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

AN ACT

To revise and extend the Appalachian Regional Development Act of 1965, and to amend title V of the Public Works and Economic Development Act of 1965.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

~~TITLE I—APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1967~~

~~SEC. 101. This title may be cited as the "Appalachian Regional Development Act Amendments of 1967".~~

~~SEC. 102. Section 102 of the Appalachian Regional Development Act of 1965 (hereinafter in this title referred to as~~

"the Act") is amended (1) by inserting "and" at the end of clause (7); (2) by striking out the semicolon and the word "and" at the end of clause (8) and inserting in lieu thereof a period; and (3) by striking out clause (9).

SEC. 103. Section 105 of the Act is amended to read as follows:

"ADMINISTRATIVE EXPENSES OF THE COMMISSION

"SEC. 105. (a) For the period ending on June 30, 1967, the administrative expenses of the Commission shall be paid by the Federal Government. Thereafter, such expenses shall be paid 50 per centum by the Federal Government and 50 per centum by the States in the region, except that the expenses of the Federal Cochairman, his alternate, and his staff shall be paid solely by the Federal Government. The share to be paid by each State shall be determined by the Commission. The Federal Cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

"(b) To carry out this section, there is hereby authorized to be appropriated to the Commission, to be available

until expended, not to exceed $1,700,000 for the two-fiscal-year period ending June 30, 1969. Not to exceed $400,000 of such authorization shall be available for the expenses of the Federal Cochairman, his alternate, and his staff. Unexpended balances of appropriations under the authorization in this section prior to amendment by the Appalachian Regional Development Act Amendments of 1967 shall remain available for the purposes of this section, as amended, until expended."

SEC. 104. Clause (7) of section 106 of the Act, entitled "ADMINISTRATIVE POWERS OF THE COMMISSION", is amended to read as follows:

"(7) enter into and perform such contracts, leases (including, notwithstanding any other provision of law, the lease of office space for any term expiring no later than June 30, 1971), cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States (which is hereby so authorized to the extent not otherwise prohibited by law) or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation."

SEC. 105. Section 201 of the Act is amended to read as follows:

"APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

"SEC. 201. (a) In order to provide a highway system which, in conjunction with the Interstate System and other Federal-aid highways in the Appalachian region, will open up an area or areas with a developmental potential where commerce and communication have been inhibited by lack of adequate access, the Secretary of Transportation (hereafter in this section referred to as the 'Secretary') is authorized to assist in the construction of an Appalachian development highway system and local access roads serving the Appalachian region. The provisions of title 23, United States Code, that are applicable to the construction and maintenance of Federal-aid primary and secondary highways, and which the Secretary determines are not inconsistent with this Act, shall apply, respectively, to the development highway system and the local access roads. Construction on the development highway system shall not exceed two thousand seven hundred miles. Construction of local access roads shall not exceed two thousand miles that will serve specific recreational, residential, educational, commercial, industrial, or other like facilities or will facilitate a school consolidation program.

"(b) The Commission shall transmit to the Secretary its designations of (1) the general corridor location and termini

of the development highways, (2) local access roads to be constructed, (3) priorities for the construction of segments of the development highways, and (4) other criteria for the program authorized by this section. Before any State member participates in or votes on such designations, he shall have obtained the recommendations of the State highway department of the State which he represents.

"(c) In no event shall the Secretary assist in any construction (including right of way acquisition) which would require for its completion the expenditure of Federal funds (other than funds available under title 23, United States Code) in excess of the appropriations authorization in subsection (g). On its completion each development highway not already on the Federal aid primary system shall be added to such system and each development highway and local access road shall be required to be maintained by the State as provided for Federal-aid highways in title 23, United States Code.

"(d) In the construction of highways and roads authorized under this section, the States may give special preference to the use of materials and products indigenous to the Appalachian region.

"(e) For the purposes of research and development in the use of coal and coal products in highway construction and maintenance, the Secretary shall require each partici-

pating State, to the maximum extent possible, to use coal derivatives in the construction of not to exceed 10 per centum of the roads authorized under this Act.

"(f) Federal assistance to any construction project under this section shall not exceed 50 per centum of the costs of such project, unless the Commission determines that assistance in excess of such percentage is required in furtherance of the purposes of this Act, but in no event shall such Federal assistance exceed 70 per centum of such costs.

"(g) To carry out this section, there is hereby authorized to be appropriated to the President, to be available until expended, $715,000,000 for the four-fiscal-year period ending June 30, 1971. Unexpended balances of appropriations to the Secretary of Commerce under the authorization in this section prior to amendment by the Appalachian Regional Development Act Amendments of 1967 shall be treated as having been appropriated to the President for the purposes of this section, as amended, and shall remain available until expended.

"(h) (1) When a participating State proceeds to construct a segment of a development highway without the aid of Federal funds, in accordance with all procedures and requirements applicable to the construction of segments of Appalachian development highways with such funds, except insofar as such procedures and requirements limit a State to

the construction of projects for which Federal funds have previously been appropriated, the Secretary, upon application by the State and after approval of the project by the Commission under section 223(2) of this Act, shall pay to the State the Federal share not to exceed 70 per centum of the costs of construction of such segment, from any sums appropriated to carry out this section.

"(2) This subsection shall not be construed as a commitment or obligation on the part of the United States to provide funds for segments of development highways constructed under this subsection, and shall not increase the limitation on construction in subsection (c)."

SEC. 106. Section 202 of the Act is amended to read as follows:

"DEMONSTRATION HEALTH PROJECTS

"SEC. 202. (a) In order to demonstrate the value of adequate health facilities and services to the economic development of the region, the Secretary of Health, Education, and Welfare is authorized to make grants for the planning, construction, equipment, and operation of multicounty demonstration health projects, including hospitals, regional health diagnostic and treatment centers, and other facilities and services necessary to health. Grants for such construction (including the acquisition of facilities and initial equipment) shall be made in accordance with the applicable provisions of

title VI of the Public Health Service Act (42 U.S.C. 291 291o), the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), and other laws authorizing grants for the construction of health related facilities, without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

"(b) No grant for the construction or equipment of any component of a demonstration health project shall exceed 80 per centum of such costs. The Federal contribution may be provided entirely from funds authorized under this section or in combination with funds provided under other Federal grant-in-aid programs for the construction or equipment of health-related facilities. Notwithstanding any provision of law limiting the Federal share in such other programs, funds authorized under this section may be used to increase Federal grants for component facilities of a demonstration health project to a maximum of 80 per centum of the costs of such facilities.

"(c) Grants under this section for operation (including initial operating funds and operating deficits comprising

among other items the costs of attracting, training, and retaining qualified personnel) of a demonstration health project, whether or not constructed with funds authorized by this section, may be made for up to 100 per centum of the costs thereof for the two-year period beginning, for each component facility or service assisted under any such operating grant, on the first day that such facility or service is in operation as a part of the project. For the next three years of operations such grants shall not exceed 50 per centum of such costs. No grants for operation of a demonstration health project shall be made after five years following the commencement of the initial grant for operation of the project. Not withstanding section 104 of the Public Works and Economic Development Act of 1965 (79 Stat. 554), a health-related facility constructed under title I of that Act may be a component of a demonstration health project eligible for operating grant assistance under this section.

"(d) The Secretary of Health, Education, and Welfare is authorized to provide funds to the Commission for the support of its Health Advisory Committee and to make grants for expenses of planning necessary for the development and operation of demonstration health projects for the region. The amount of any such grant shall not exceed 75 per centum of such expenses.

"(c) Not to exceed $70,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 107. Subsection (i) of section 203 of the Act, entitled "LAND STABILIZATION, CONSERVATION, AND EROSION CONTROL", is amended to read as follows:

"(i) Not to exceed $19,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 108. Section 204 of the Act, entitled "TIMBER DEVELOPMENT AND RESEARCH", is amended by striking out subsection (b) and inserting in lieu thereof the following new subsections (b) and (c):

"(b) The Secretary of Agriculture is authorized to provide technical assistance, make grants, enter into contracts, or otherwise provide funds to forest products research institutions in the region and other appropriate public and private organizations, for Appalachian hardwood products research, including investigations, studies, and demonstrations, which will further the purposes of this Act. Funds shall be provided only for programs and projects which will contribute significantly to the development of (1) Appalachian hard-

wood technology, (2) new or improved uses of Appalachian hardwood resources, (3) new or improved processes or methods for producing hardwood products, or (4) new or improved markets for such products. Funds under this section shall be provided solely out of sums specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the allocation or distribution of funds pursuant to any other provision of law.

"(c) Not to exceed $4,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out the purposes of subsection (b) of this section."

SEC. 109. (a) Clause (1) of subsection (a) of section 205 of the Act, entitled "MINING AREA RESTORATION", is amended to read as follows:

"(1) make financial contributions to States in the region to seal and fill voids in abandoned coal mines and abandoned oil and gas wells, and to reclaim and rehabilitate lands affected by the strip and surface mining and processing of coal and other minerals, including lands affected by waste piles, in accordance with provisions of the Act of July 15, 1955 (30 U.S.C. 571 et seq.), to the extent applicable, without regard to section 2(b)

thereof (30 U.S.C. 572(b)) or to any provisions therein limiting assistance to anthracite coal formation, or to the Commonwealth of Pennsylvania. Grants under this paragraph shall be made wholly out of funds specifically appropriated for the purposes of carrying out this Act."

(b) Subsection (b) of such section is amended by striking out "and 1967" and inserting in lieu thereof ", 1967, 1968, and 1969", and by inserting after "restoration projects" a comma and the following: "including reasonable planning, engineering and land acquisition costs,".

(c) The first sentence of subsection (d) of such section is amended to read as follows: "Not to exceed $39,150,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 110. Subsection (g) of section 206 of the Act, entitled "WATER RESOURCE SURVEY", is amended to read as follows:

"(g) Not to exceed $2,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 111. Part A of title II of the Act is amended by inserting at the end thereof a new section as follows:

"ASSISTANCE FOR PLANNING AND OTHER PRELIMINARY EXPENSES OF PROPOSED HOUSING PROJECTS UNDER SECTION 221 OF THE NATIONAL HOUSING ACT

"SEC. 207. (a) In order to encourage and facilitate the construction or rehabilitation of housing to meet the needs of low- and moderate-income families and individuals, the Secretary of Housing and Urban Development (hereafter in this section referred to as the 'Secretary') is authorized to make grants and loans from the Appalachian Housing Fund established by this section, under such terms and conditions as he may prescribe, to nonprofit, limited dividend, or cooperative organizations, or to public bodies, for expenses of planning and of obtaining an insured mortgage for a housing construction or rehabilitation project, under section 221 of the National Housing Act (hereafter in this section referred to as 'section 221'), in any area of the Appalachian region determined by the Commission to have significant potential for future growth.

"(b) No grant under this section shall exceed 80 per centum of those administrative expenses, incident to planning a project and obtaining an insured mortgage under section

221, which the Secretary considers not to be recoverable from the proceeds of a mortgage insured under such section: *Provided,* That no grant shall be made to an organization established for profit.

"(c) No loan under this section shall exceed 80 per centum of the cost of planning a project and obtaining an insured mortgage under section 221, including, but not limited to, preliminary surveys and analyses of market needs, preliminary site engineering and architectural fees, site options, Federal Housing Administration and Federal National Mortgage Association fees, and construction loan fees and discounts. Loans may be made without interest, or at any market or below market interest rate authorized for a mortgage insured under section 221: *Provided,* That any loan made to an organization established for profit shall bear interest at the prevailing market rate authorized for a mortgage insured under such section. The Secretary may, except in the case of a loan to an organization established for profit, waive the repayment of all or any part of a loan made under this section, including interest, which he finds the borrower is unable to recover from the proceeds of a mortgage insured under section 221.

"(d) All funds allocated to the Secretary for the purposes of this section shall be deposited in a fund which shall be known as the Appalachian Housing Fund and shall be

used as a revolving fund by the Secretary for carrying out such purposes. General expenses of administration of this section may be charged to the fund. Moneys in the fund not needed for current operation may be invested in bonds or other obligations guaranteed as to principal and interest by the United States.

"(c) Not to exceed $5,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 112. (a) Subsection (a) of section 211 of the Act, entitled "VOCATIONAL EDUCATION FACILITIES", is amended by inserting before the word "needed" in the first sentence, the following: "and for the equipment of such facilities and other school facilities".

(b) Subsection (b) of section 211 of the Act is amended to read as follows:

"(b) Not to exceed $18,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 113. Subsection (b) of section 212 of the Act, entitled "SEWAGE TREATMENT WORKS", is amended to read as follows:

"(b) Not to exceed $6,000,000 of the funds authorized

in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 114. (a) Section 701(a) of the Housing Act of 1954 (40 U.S.C. 461(a)) is amended by striking out "and" at the end of clause (8) and all of clause (9) and inserting in lieu thereof the following:

"(9) the Appalachian Regional Commission, for comprehensive planning for the Appalachian region as defined by section 403 of the Appalachian Regional Development Act of 1965; and

"(10) local development districts, certified under section 301 of the Appalachian Regional Development Act of 1965, for comprehensive planning for their entire areas, or for metropolitan planning, urban planning, county planning, or small municipality planning within such areas in the Appalachian region, and for planning for Appalachian regional programs."

(b) The proviso of the first sentence of section 701(b) of the Housing Act of 1954 is amended by inserting after "States" the words "and local development districts".

SEC. 115. Section 214 of the Act is amended to read as follows:

"SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

"SEC. 214. (a) In order to enable the people, States, and local communities of the region, including local develop-

ment districts, to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the President is authorized to provide funds to the Federal Cochairman to be used for the sole purpose of increasing the Federal contribution to projects under Federal grant-in-aid programs, as hereafter defined, above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. Funds shall be so provided for Federal grant-in-aid programs for which funds are available under the Acts authorizing such programs and shall be available without regard to any appropriation authorization ceilings in such Acts.

"(b) The Federal portion of such costs shall not be increased in excess of the percentages established by the Commission, and shall in no event exceed 80 per centum thereof.

"(c) The term 'Federal grant-in-aid programs' as used in this section means those Federal grant-in-aid programs authorized by this Act for the construction or equipment of facilities, and all other existing or future Federal grant-in-aid programs authorized by Acts other than this Act for the acquisition of land or the construction or equipment of facilities, including but not limited to grant-in-aid programs

authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958. The term shall not include (A) the program for the construction of the development highway system authorized by section 201 of this Act or any other program relating to highway or road construction, or (B) any other program for which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act.

"(d) Not to exceed $97,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 116. Part B of title II of the Act is amended by inserting at the end thereof a new section as follows:

"CULTURAL PROGRAMS

"SEC. 215. (a) In order to encourage the development of the cultural resources of the region, the Chairman of the National Endowment for the Arts is authorized to make grants to assist the member States of the Commission (1)

in supporting existing programs and projects (including productions) in the region which meet the standards enumerated in section 5(c) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954; 79 Stat. 846); and (2) in developing programs and projects in the arts in such a manner as will serve all the people of the region. Such grants shall be made in accordance with the applicable provisions of section 5 of that Act, for programs and projects which are compatible with State plans approved pursuant to subsection (h) thereof, without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

"(b) No grant shall be made to a State for a workshop production (other than a workshop conducted by a school, college, or university) for which a direct or indirect admission charge is asked if the proceeds, after deducting reasonable costs, are used for purposes other than assisting the recipient to develop high standards of artistic excellence or encourage greater appreciation of the arts and humanities by the people of the region.

"(c) Not to exceed $500,000 of the funds authorized

in section 401 of this Act for the two fiscal year period ending June 30, 1969, shall be available to carry out this section."

SEC. 117. (a) The first sentence of section 221 of the Act, entitled "MAINTENANCE OF EFFORT", is amended by striking out "exclusive of Federal funds," and inserting in lieu thereof the following: "exclusive of expenditures for participation in the National System of Interstate and Defense Highways, and exclusive of local funds and Federal funds,".

(b) The second sentence of such section is amended by inserting after "Highways" the following: "and expenditures of local funds and Federal funds".

SEC. 118. Section 223 of the Act is amended to read as follows:

"PROGRAM IMPLEMENTATION

"SEC. 223. No program or project authorized under any section of this title shall be implemented until (1) applications and plans relating to the program or project have been determined by the responsible Federal official to be compatable with the provisions and objectives of Federal laws which he administers that are not inconsistent with this Act, and (2) the Commission has approved such program or project and has determined that it meets the applicable cri-

teria under section 224 and will contribute to the development of the region, which determination shall be controlling."

SEC. 119. (a) Subsection (a) of section 224 of the Act, entitled "PROGRAM DEVELOPMENT CRITERIA", is amended (1) by striking out "In developing recommendations on the" and inserting in lieu thereof: "In considering"; and (2) by striking out "within those recommendations".

(b) Subsection (b) of such section is amended by striking out clause (1) and inserting in lieu thereof the following:

"(1) to assist establishments relocating from one area to another;".

SEC. 120. Section 302 of the Act, entitled "GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DEVELOPMENT DISTRICTS AND FOR RESEARCH AND DEMONSTRATION PROJECTS", is amended by (1) striking out subsections (a) through (c); (2) redesignating subsection (d) as subsection (c); and (3) inserting the following new subsections (a) through (d):

"(a) The President is authorized—

"(1) to make grants to the Commission for administrative expenses, including technical services, of local development districts, but (A) the amount of any such grant shall not exceed 75 per centum of such expenses, (B) no grants for administrative expenses shall be made

for a local development district for a period in excess of three years beginning on the date the initial grant is made for such development district, and (C) the local development district contributions for administrative expenses may be in cash or in kind, fairly evaluated, including but not limited to space, equipment, and services; and

"(2) to make grants to the Commission for investigation, research, studies, technical assistance, and demonstration projects, and for training programs, but not for construction purposes, which will further the purposes of this Act.

"(b) The Commission is authorized to make a survey and study of acid pollution in the region resulting from mining activities and the effects of such pollution, in full cooperation with the Secretary of the Interior and other appropriate Federal, State, and local departments and agencies, with the objective of developing a comprehensive action program for the appropriate control, reduction, or elimination of such pollution in the region or the effects of such pollution. The Commission shall submit to the President a report, including specific recommendations for such program and for the policies under which it should be conducted, and the President shall submit the report to the Congress, together with his recommendations, not later than March 31, 1969. The study shall, among other matters—

"(1) Identify sources of acid mine pollution in the region and their type, area, ownership, and other characteristics; the relative contribution of each source; and the impact of each source on water quality in the streams affected.

"(2) Identify present and potential water using and other activities which are affected by acid mine pollution in the region, or originating in the region, and the economic and social costs and effects attributable to such pollution.

"(3) Identify known methods and costs for the control and abatement of acid mine pollution.

"(4) Estimate economic and social benefits, public and private, that are likely to result from reducing to various levels acid mine pollution in the streams of the region and identify the types of beneficaries and the relative distribution of the benefits to such beneficiaries.

"(5) Consider the appropriate roles of Federal, State, and private interests in programs for the control, reduction, or elimination of acid mine pollution in the region and the relative costs which each should bear, including specifically (A) the extent, if any, to which private interests can bear the cost of such programs within the economies of mining activity, (B) the effec-

tiveness of past action by Federal, State, and local units of government in remedying or controlling the adverse effects of acid mine pollution, (C) relationships which might be established among Federal, State, and local units of government, and with private interests, for implementing and funding such programs, and (D) the need for appropriate Federal and State legislation, including adequate enforcement provisions, for such programs.

"(6) Formulate a program for the appropriate control, reduction, or elimination of acid mine pollution in the region, including the identification of specific objectives and costs, with due consideration to: (A) the developmental effects of the program, (B) the economic benefits of the program in relation to costs, (C) the social effects of the program, (D) the avoidance of unwarranted financial gain to private interests, and (E) the types and sources of aid required to accomplish the program.

"(c) The Commission shall, as required by the President, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the President. The records of the Commission shall be available for audit with respect to such grants by the Presi-

dent and the Comptroller General or their duly authorized representatives.

"(d) Not to exceed $13,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section. Not to exceed $3,000,000 of such authorization shall be available for the purposes of subsection (b)."

SEC. 121. Section 303 of the Act is amended to read as follows:

"PROJECT APPROVAL

"SEC. 303. An application for a grant or for any other assistance for a program or project under this Act shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under the Act shall be approved for assistance."

SEC. 122. Section 401 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 401. (a) In addition to the appropriations authorized in section 201 for the Appalachian development

highway system and local access roads, there is hereby authorized to be appropriated to the President, to be available until expended, not to exceed $273,650,000 for the two-fiscal-year period ending June 30, 1969, to carry out this Act.

"(b) Unexpended balances of appropriations under the authorization in this section prior to amendment by the Appalachian Regional Development Act Amendments of 1967 shall be treated as having been apppropriated to the President for the purposes of this Act as amended, and shall remain availabe until expended: *Provided,* That any unexpended balances of appropriations for the purposes of section 204 prior to such amendment shall remain available for such purposes."

SEC. 123. (a) Section 403 of the Act, entitled "DEFINITION OF APPALACHIAN REGION", is amended—

(1) by inserting in the clause relating to the counties in Alabama after "Jefferson," the following: "Lamar," and after "Morgan," the following: "Pickens,"; and

(2) by inserting after the clause relating to the counties in Maryland the following:

"In Mississippi, the counties of Alcorn, Chickasaw, Choctaw, Clay, Itawamba, Kemper, Lee, Lowndes, Monroe, Noxubee, Oktibbeha, Pontotoc,

Prentiss, Tippah, Tishomingo, Union, Webster, and Winston;

"In New York, the counties of Allegany, Broome, Cattaraugus, Chautauqua, Chemung, Chenango, Cortland, Delaware, Otsego, Schoharie, Schuyler, Steuben, Tioga, and Tompkins;".

(b) Such section is further amended by striking out the colon following "West Virginia" and inserting in lieu thereof a period, and by striking out all of the remainder of such section and inserting in lieu thereof the following:

"No recommendation for any change in the definition of the Appalachian region as set forth in this section shall be proposed or considered by the Commission without a prior resolution by the Committee on Public Works of the Senate or of the House of Representatives, directing a study of such change."

TITLE II—AMENDMENTS TO TITLE V OF THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

SEC. 201. Subsection (a) of Section 503 of the Public Works and Economic Development Act of 1965 is amended by striking the semicolon after clause (2), inserting a comma, and the following: "including the development of a

comprehensive long-range economic plan approved by the Secretary;".

SEC. 202. Subsection (c) of section 505 of the Public Works and Economic Development Act of 1965 is amended by adding at the end thereof the following:

"Not to exceed $2,500,000 of the funds authorized to be appropriated by this subsection for each fiscal year shall be allocated by the Secretary to each regional commission to carry out the purposes of this section."

SEC. 203. Section 509 of the Public Works and Economic Development Act of 1965 is amended by redesignating such section as section 510 and by inserting after section 508 the following new section 509:

"SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

"SEC. 509. (a) In order to enable the States and other entities within economic development regions established under this Act to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the Secretary shall, once a comprehensive long-range economic plan established pursuant to clause (2) of section 503(a) is in effect, to provide funds pursuant to specific recommendations of each of the Federal Cochairmen of the regional commissions heretofore or hereafter established under this

title, to be used for the sole purpose of increasing the Federal contribution to projects under such programs above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. No program or project authorized under this section shall be implemented until (1) applications and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this Act, and (2) the Regional Commission involved has approved such program or project and has determined that it meets the applicable criteria under section 504 and will contribute to the development of the region, which determination shall be controlling. Funds may be provided only for Federal grant-in-aid programs for which funds are available under the Act authorizing such programs. Funds so provided shall be available without regard to any appropriation authorization ceilings in such Act.

"(b) The Federal portion of such costs shall not be increased in excess of the percentages established by each commission, and shall in no event exceed 80 per centum thereof.

"(c) The term 'Federal grant-in-aid programs' as used in this section means all existing or future Federal grant-

in-aid programs assisting in the acquisition of land or the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by title I of this Act and by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; and National Defense Education Act of 1958. The term shall not include any program in which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this section, and shall not be taken into account in the computation of allocations among the States made pursuant to any other provision of law.

"(d) There is hereby authorized to be appropriated to the Secretary for each of the regional commissions for the purposes of this section the sum of $5,000,000 for the period ending June 30, 1968, and the sum of $10,000,000 for the fiscal year ending June 30, 1969.

"(e) Any amounts appropriated under this section shall remain available until expended, and any amounts authorized

~~for any fiscal year under this section but not appropriated may be appropriated for any succeeding fiscal year commencing prior to July 1, 1970.~~

~~"(f) An application for a grant under this section shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under this section shall be approved for assistance."~~

TITLE I—APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1967

SEC. 101. This title may be cited as the "Appalachian Regional Development Act Amendments of 1967".

SEC. 102. Section 102 of the Appalachian Regional Development Act of 1965 (hereinafter in this title referred to as "the Act") is amended (1) by inserting "and" at the end of clause (7); (2) by striking out the semicolon and the word "and" at the end of clause (8) and inserting in lieu thereof a period; and (3) by striking out clause (9).

SEC. 103. Section 105 of the Act is amended to read as follows:

"ADMINISTRATIVE EXPENSES OF THE COMMISSION

"SEC. 105. (a) For the period ending on June 30, 1967, the administrative expenses of the Commission shall

be paid by the Federal Government. Thereafter, such expenses shall be paid 50 per centum by the Federal Government and 50 per centum by the States in the region, except that the expenses of the Federal Cochairman, his alternate, and his staff shall be paid solely by the Federal Government. The share to be paid by each State shall be determined by the Commission. The Federal Cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

"(b) To carry out this section, there is hereby authorized to be appropriated to the Commission, to be available until expended, not to exceed $1,700,000 for the two-fiscal-year period ending June 30, 1969. Not to exceed $400,000 of such authorization shall be available for the expenses of the Federal Cochairman, his alternate, and his staff. Unexpended balances of appropriations under the authorization in this section prior to amendment by the Appalachian Regional Development Act Amendments of 1967 shall remain available for the purposes of this section, as amended, until expended."

SEC. 104. Clause (7) of section 106 of the Act, entitled

"ADMINISTRATIVE POWERS OF THE COMMISSION", *is amended to read as follows:*

"(7) enter into and perform such contracts, leases (including, notwithstanding any other provision of law, the lease of office space for any term expiring no later than June 30, 1971), cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States (which is hereby so authorized to the extent not otherwise prohibited by law) or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation."

SEC. 105. Title I of the Act is amended by inserting at the end thereof a new section as follows:

"COMMISSION EMPLOYEE PROTECTIONS

"SEC. 109. Section 5334(a) of title 5, United States Code, is amended by adding at the end thereof the following new sentence: 'For the purpose of this subsection, an individual employed by the Appalachian Regional Commission under section 106(a) of the Appalachian Regional Development Act of 1965, or by a regional commission established pursuant to section 502 of the Public Works and Economic

Development Act of 1965, under section 506(2) of such Act, who was a Federal employee immediately prior to such employment by a commission and within six months after separation from such employment is employed in a position to which this subchapter applies, shall be treated as if transferred from a position in the executive branch to which this subchapter does not apply.'."

SEC. 106. Section 201 of the Act is amended to read as follows:

"APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

"SEC. 201. (a) In order to provide a highway system which, in conjunction with the Interstate System and other Federal-aid highways in the Appalachian region, will open up an area or areas with a developmental potential where commerce and communication have been inhibited by lack of adequate access, the Secretary of Transportation (hereafter in this section referred to as the 'Secretary') is authorized to assist in the construction of an Appalachian development highway system and local access roads serving the Appalachian region. The provisions of title 23, United States Code, that are applicable to the construction and maintenance of Federal-aid primary and secondary highways, and which the Secretary determines are not inconsistent with this Act, shall apply, respectively, to the development highway system and the local access roads. Construction on the development

highway system shall not exceed two thousand seven hundred miles. Construction of local access roads shall not exceed one thousand two hundred miles that will serve specific recreational, residential, educational, commercial, industrial, or other like facilities or will facilitate a school consolidation program.

"(b) The Commission shall transmit to the Secretary its designations of (1) the general corridor location and termini of the development highways, (2) local access roads to be constructed, (3) priorities for the construction of segments of the development highways, and (4) other criteria for the program authorized by this section. Before any State member participates in or votes on such designations, he shall have obtained the recommendations of the State highway department of the State which he represents.

"(c) In no event shall the Secretary assist in any construction (including right-of-way acquisition) which would require for its completion the expenditure of Federal funds (other than funds available under title 23, United States Code) in excess of the appropriations authorization in subsection (g). On its completion each development highway not already on the Federal-aid primary system shall be added to such system and each development highway and local access road shall be required to be maintained by the State

as provided for Federal-aid highways in title 23, United States Code.

"(d) In the construction of highways and roads authorized under this section, the States may give special preference to the use of materials and products indigenous to the Appalachian region.

"(e) For the purposes of research and development in the use of coal and coal products in highway construction and maintenance, the Secretary is authorized to require each participating State, to the maximum extent possible, to use coal derivatives in the construction of not to exceed 10 per centum of the roads authorized under this Act.

"(f) Federal assistance to any construction project under this section shall not exceed 50 per centum of the costs of such project, unless the Commission determines that assistance in excess of such percentage is required in furtherance of the purposes of this Act, but in no event shall such Federal assistance exceed 70 per centum of such costs.

"(g) To carry out this section, there is hereby authorized to be appropriated to the President, to be available until expended, $715,000,000 for the four-fiscal-year period ending June 30, 1971.

"(h)(1) When a participating State proceeds to construct a segment of a development highway without the aid of Federal funds, in accordance with all procedures and

requirements applicable to the construction of segments of Appalachian development highways with such funds, except insofar as such procedures and requirements limit a State to the construction of projects for which Federal funds have previously been appropriated, the Secretary, upon application by the State and with the approval of the Commission, is authorized to pay to the State the Federal share not to exceed 70 per centum of the costs of the construction of such segment, from any sums appropriated and allocated to such State to carry out this section.

"(2) This subsection shall not be construed as a commitment or obligation on the part of the United States to provide funds for segments of development highways constructed under this subsection, and shall not increase the limitation on construction in subsection (c)."

SEC. 107. Section 202 of the Act is amended to read as follows:

"DEMONSTRATION HEALTH PROJECTS

"SEC. 202. (a) In order to demonstrate the value of adequate health facilities and services to the economic development of the region, the Secretary of Health, Education, and Welfare is authorized to make grants for the planning, construction, equipment, and operation of multicounty demonstration health projects, including hospitals, regional health diagnostic and treatment centers, and other facilities and

services necessary to health. Grants for such construction (including the acquisition of privately owned facilities not operated for profit and initial equipment) shall be made in accordance with the applicable provisions of title VI of the Public Health Service Act (42 U.S.C. 291–291o), the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), and other laws authorizing grants for the construction of health-related facilities, without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

"(b) No grant for the construction or equipment of any component of a demonstration health project shall exceed 80 per centum of such costs. The Federal contribution may be provided entirely from funds authorized under this section or in combination with funds provided under other Federal grant-in-aid programs for the construction or equipment of health-related facilities. Notwithstanding any provision of law limiting the Federal share in such other programs, funds authorized under this section may be used to increase Federal grants for component facilities of a demonstration health

project to a maximum of 80 per centum of the costs of such facilities.

"(c) Grants under this section for operation (including initial operating funds and operating deficits comprising among other items the costs of attracting, training, and retaining qualified personnel) of a demonstration health project, whether or not constructed with funds authorized by this section, may be made for up to 100 per centum of the costs thereof for the two-year period beginning, for each component facility or service assisted under any such operating grant, on the first day that such facility or service is in operation as a part of the project. For the next three years of operations such grants shall not exceed 50 per centum of such costs. No grant for operation of a demonstration health project shall be made unless the facility is publicly owned, or owned by a public or private nonprofit organization, and is not operated for profit. No grants for operation of a demonstration health project shall be made after five years following the commencement of the initial grant for operation of the project. No such grants shall be made unless the Secretary of Health, Education, and Welfare is satisfied that the operation of the project will be conducted under efficient management practices designed to obviate operating deficits. Notwithstanding section 104 of the Public Works and Economic Development Act of 1965 (79 Stat. 554), a health-related

facility constructed under title I of that Act may be a component of a demonstration health project eligible for operating grant assistance under this section.

"(d) The Secretary of Health, Education, and Welfare is authorized to provide funds to the Commission for the support of its Health Advisory Committee and to make grants for expenses of planning necessary for the development and operation of demonstration health projects for the region. The amount of any such grant shall not exceed 75 per centum of such expenses.

"(e) Not to exceed $50,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 108. Subsection (i) of section 203 of the Act, entitled "LAND STABILIZATION, CONSERVATION, AND EROSION CONTROL", is amended to read as follows:

"(i) Not to exceed $19,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 109. Subsection (b) of section 204 of the Act is amended to read as follows:

"(b) Not to exceed $1,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period end-

ing June 30, 1969, shall be available to carry out this section."

SEC. 110. (a) Clause (1) of subsection (a) of section 205 of the Act, entitled "MINING AREA RESTORATION", is amended to read as follows:

"(1) make financial contributions to States in the region to seal and fill voids in abandoned coal mines and abandoned oil and gas wells, and to reclaim and rehabilitate lands affected by the strip and surface mining and processing of coal and other minerals, including lands affected by waste piles, in accordance with provisions of the Act of July 15, 1955 (30 U.S.C. 571 et seq.), to the extent applicable, without regard to section 2(b) thereof (30 U.S.C. 572(b)) or to any provisions therein limiting assistance to anthracite coal formation, or to the Commonwealth of Pennsylvania. Grants under this paragraph shall be made wholly out of funds specifically appropriated for the purposes of carrying out this Act."

(b) Strike out clause (3) of subsection (a) of section 205 of the Act.

(c) Subsection (b) of section 205 of the Act is amended to read as follows:

"(b) For the fiscal years 1966, 1967, 1968, and 1969, notwithstanding any other provision of law, the Federal share of mining area restoration projects, including reason-

able planning and engineering costs, carried out under subsection (a) of this section and conducted on lands other than federally owned lands shall not exceed 75 per centum of the total cost thereof. The non-Federal share of the total cost of any project carried out under subsection (a) of this section may include reasonable land acquisition costs incurred in acquiring land necessary for the purposes of implementing such project, if such land is acquired after the date of enactment of the Appalachian Regional Development Act Amendments of 1967."

(d) The first sentence of subsection (d) of section 205 of the Act is amended to read as follows: "Not to exceed $30,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 111. Subsection (g) of section 206 of the Act, entitled "WATER RESOURCE SURVEY", is amended to read as follows:

"(g) Not to exceed $2,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 112. Part A of title II of the Act is amended by inserting at the end thereof a new section as follows:

"ASSISTANCE FOR PLANNING AND OTHER PRELIMINARY EXPENSES OF PROPOSED HOUSING PROJECTS UNDER SECTION 221 OF THE NATIONAL HOUSING ACT

"SEC. 207. (a) In order to encourage and facilitate the construction or rehabilitation of housing to meet the needs of low- and moderate-income families and individuals, the Secretary of Housing and Urban Development (hereafter in this section referred to as the 'Secretary') is authorized to make grants and loans from the Appalachian Housing Fund established by this section, under such terms and conditions as he may prescribe, to nonprofit, limited dividend, or cooperative organizations, or to public bodies, for expenses of planning and of obtaining an insured mortgage for a housing construction or rehabilitation project, under section 221 of the National Housing Act (hereafter in this section referred to as 'section 221'), in any area of the Appalachian region determined by the Commission to have significant potential for future growth.

"(b) No grant under this section shall exceed 80 per centum of those administrative expenses, incident to planning

a project and obtaining an insured mortgage under section 221, which the Secretary considers not to be recoverable from the proceeds of a mortgage insured under such section: Provided, That no grant shall be made to an organization established for profit.

"(c) No loan under this section shall exceed 80 per centum of the cost of planning a project and obtaining an insured mortgage under section 221, including, but not limited to, preliminary surveys and analyses of market needs, preliminary site engineering and architectural fees, site options, Federal Housing Administration and Federal National Mortgage Association fees, and construction loan fees and discounts. Loans may be made without interest, or at any market or below market interest rate authorized for a mortgage insured under section 221: Provided, That any loan made to an organization established for profit shall bear interest at the prevailing market rate authorized for a mortgage insured under such section. The Secretary may, except in the case of a loan to an organization established for profit, waive the repayment of all or any part of a loan made under this section, including interest, which he finds the borrower is unable to recover from the proceeds of a mortgage insured under section 221.

"(d) All funds allocated to the Secretary for the purposes of this section shall be deposited in a fund which shall

be known as the Appalachian Housing Fund and shall be used as a revolving fund by the Secretary for carrying out such purposes. General expenses of administration of this section may be charged to the fund. Moneys in the fund not needed for current operation may be invested in bonds or other obligations guaranteed as to principal and interest by the United States.

"(e) Not to exceed $5,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 113. (a) Subsection (a) of section 211 of the Act, entitled "VOCATIONAL EDUCATION FACILITIES", is amended by inserting before the word "needed" in the first sentence, the following: "and for the equipment of such facilities and other school facilities".

(b) Subsection (b) of section 211 of the Act is amended to read as follows:

"(b) Not to exceed $26,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 114. Subsection (b) of section 212 of the Act, entitled "SEWAGE TREATMENT WORKS", is amended to read as follows:

"(b) Not to exceed $6,000,000 of the funds authorized

in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 115. (a) Section 701(a) of the Housing Act of 1954 (40 U.S.C. 461(a)) is amended by striking out "and" at the end of clause (8) and all of clause (9) and inserting in lieu thereof the following:

"(9) the Appalachian Regional Commission, for comprehensive planning for the Appalachian region as defined by section 403 of the Appalachian Regional Development Act of 1965; and

"(10) local development districts, certified under section 301 of the Appalachian Regional Development Act of 1965, for comprehensive planning for their entire areas, or for metropolitan planning, urban planning, county planning, or small municipality planning within such areas in the Appalachian region, and for planning for Appalachian regional programs."

(b) The proviso of the first sentence of section 701(b) of the Housing Act of 1954 is amended by inserting after "States" the words "and local development districts".

SEC. 116. Section 214 of the Act is amended to read as follows:

"SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

"SEC. 214. (a) In order to enable the people, States, and local communities of the region, including local develop-

ment districts, to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the President is authorized to provide funds to the Federal Cochairman to be used for the sole purpose of increasing the Federal contribution to projects under Federal grant-in-aid programs, as hereafter defined, above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. Funds shall be so provided for Federal grant-in-aid programs for which funds are available under the Acts authorizing such programs and shall be available without regard to any appropriation authorization ceilings in such Acts. Any finding, report, certification, or documentation required to be submitted to the head of the department, agency, or instrumentality of the Federal Government responsible for the administration of any Federal grant-in-aid program shall be accepted by the Federal Cochairman with respect to a supplemental grant for any project under such program.

"(b) The Federal portion of such costs shall not be increased in excess of the percentages established by the Commission, and shall in no event exceed 80 per centum thereof.

"(c) The term 'Federal grant-in-aid programs' as used in this section means those Federal grant-in-aid programs

authorized by this Act for the construction or equipment of facilities, and all other Federal grant-in-aid programs authorized on or before August 1, 1967, by Acts other than this Act for the acquisition of land or the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958. The term shall not include (A) the program for the construction of the development highway system authorized by section 201 of this Act or any other program relating to highway or road construction, or (B) any other program for which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act.

"(d) Not to exceed $71,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 117. (a) The first sentence of section 221 of the Act, entitled "MAINTENANCE OF EFFORT", is amended by

striking out "exclusive of Federal funds," and inserting in lieu thereof the following: "exclusive of expenditures for participation in the National System of Interstate and Defense Highways, and exclusive of local funds and Federal funds,".

(b) The second sentence of such section is amended by inserting after "Highways" the following: "and expenditures of local funds and Federal funds".

SEC. 118. Section 223 of the Act is amended to read as follows:

"PROGRAM IMPLEMENTATION

"SEC. 223. No program or project authorized under any section of this title shall be implemented until (1) applications and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this Act, and (2) the Commission has approved such program or project and has determined that it meets the applicable criteria under section 224 and will contribute to the development of the region, which determination shall be controlling."

SEC. 119. (a) Subsection (a) of section 224 of the Act, entitled "PROGRAM DEVELOPMENT CRITERIA", is amended (1) by striking out "In developing recommendations on the"

and inserting in lieu thereof: "In considering"; and (2) by striking out "within those recommendations".

(b) Subsection (b) of such section is amended by striking out clause (1) and inserting in lieu thereof the following: "(1) to assist establishments relocating from one area to another;".

SEC. 120. Section 302 of the Act, entitled "GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DEVELOPMENT DISTRICTS AND FOR RESEARCH AND DEMONSTRATION PROJECTS", is amended by (1) striking out subsections (a) through (c); (2) redesignating subsection (d) as subsection (e); and (3) inserting the following new subsections (a) through (d):

"(a) The President is authorized—

"(1) to make grants to the Commission for administrative expenses, including technical services, of local development districts, but (A) the amount of any such grant shall not exceed 75 per centum of such expenses, (B) no grants for administrative expenses shall be made for a local development district for a period in excess of three years beginning on the date the initial grant is made for such development district, and (C) the local development district contributions for administrative expenses may be in cash or in kind, fairly evaluated, including but not limited to space, equipment, and services; and

"(2) to make grants to the Commission for investigation, research, studies, technical assistance, and demonstration projects, and for training programs, but not for construction purposes, which will further the purposes of this Act.

"(b) The Commission is authorized to make a survey and study of acid pollution in the region resulting from mining activities and the effects of such pollution, in full cooperation with the Secretary of the Interior and other appropriate Federal, State, and local departments and agencies, with the objective of developing a comprehensive action program for the appropriate control, reduction, or elimination of such pollution in the region or the effects of such pollution. The Commission shall submit to the President a report, including specific recommendations for such program and for the policies under which it should be conducted, and the President shall submit the report to the Congress, together with his recommendations, not later than March 31, 1969. The study shall, among other matters—

"(1) Identify sources of acid mine pollution in the region and their type, area, ownership, and other characteristics; the relative contribution of each source; and the impact of each source on water quality in the streams affected.

"(2) Identify present and potential water-using

and other activities which are affected by acid mine pollution in the region, or originating in the region, and the economic and social costs and effects attributable to such pollution.

"(3) Identify known methods and costs for the control and abatement of acid mine pollution.

"(4) Estimate economic and social benefits, public and private, that are likely to result from reducing to various levels acid mine pollution in the streams of the region and identify the types of beneficiaries and the relative distribution of the benefits to such beneficiaries.

"(5) Consider the appropriate roles of Federal, State, and private interests in programs for the control, reduction, or elimination of acid mine pollution in the region and the relative costs which each should bear, including specifically (A) the extent, if any, to which private interests can bear the cost of such programs within the economics of mining activity, (B) the effectiveness of past action by Federal, State, and local units of government in remedying or controlling the adverse effects of acid mine pollution, (C) relationships which might be established among Federal, State, and local units of government, and with private interests, for implementing and funding such programs, and (D) the need for appropriate Federal and State legislation,

including adequate enforcement provisions, for such programs.

"(6) Formulate a program for the appropriate control, reduction, or elimination of acid mine pollution in the region, including the identification of specific objectives and costs, with due consideration to: (A) the developmental effects of the program, (B) the economic benefits of the program in relation to costs, (C) the social effects of the program, (D) the avoidance of unwarranted financial gain to private interests, and (E) the types and sources of aid required to accomplish the program.

"(c)(1) The Commission shall, as required by the President, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the President. The records of the Commission shall be available for audit with respect to such grants by the President and the Comptroller General or their duly authorized representatives.

"(2) Recipients of Federal assistance under the provisions of this section shall, as required by the Commission, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the Commission. Such records shall be available for audit

by the President, the Comptroller General, and the Commission or their duly authorized representatives.

"(d) Not to exceed $10,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section. Not to exceed $3,000,000 of such authorization shall be available for the purposes of subsection (b)."

SEC. 121. Section 303 of the Act is amended to read as follows:

"PROJECT APPROVAL

"SEC. 303. An application for a grant or for any other assistance for a program or project under this Act shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under the Act shall be approved for assistance. No project shall be approved by the Commission unless the Commission is satisfied that the project will be properly administered, operated, and maintained."

SEC. 122. Section 401 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 401. In addition to the appropriations authorized in section 105 and in section 201 for the Appalachian de-

velopment highway system and local access roads, there is hereby authorized to be appropriated to the President, to be available until expended, not to exceed $220,000,000 for the two-fiscal-year period ending June 30, 1969, to carry out this Act."

SEC. 123. (a) Section 403 of the Act, entitled "DEFINITION OF APPALACHIAN REGION", is amended—

(1) by inserting in the clause relating to the counties in Alabama after "Jefferson," the following: "Lamar," and after "Morgan," the following: "Pickens,";

(2) by inserting after the clause relating to the counties in Maryland the following:

"In Mississippi, the counties of Alcorn, Benton, Chickasaw, Choctaw, Clay, Itawamba, Kemper, Lee, Lowndes, Marshall, Monroe, Noxubee, Oktibbeha, Pontotoc, Prentiss, Tippah, Tishomingo, Union, Webster, and Winston;

"In New York, the counties of Allegany, Broome, Cattaraugus, Chautauqua, Chemung, Chenango, Cortland, Delaware, Otsego, Schoharie, Schuyler, Steuben, Tioga, and Tompkins;"; and

(3) by inserting in the clause relating to the counties in Tennessee after "Campbell" the following: "Cannon,".

(b) Such section is further amended by striking out

the colon following "West Virginia" and inserting in lieu thereof a period, and by striking out all of the remainder of such section and inserting in lieu thereof the following:

"No recommendation for any change in the definition of the Appalachian region as set forth in this section shall be proposed or considered by the Commission without a prior resolution by the Committee on Public Works of the Senate or of the House of Representatives, directing a study of such change."

TITLE II—AMENDMENTS TO THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

SEC. 201. Subsection (a) of section 503 of the Public Works and Economic Development Act of 1965 is amended by striking the semicolon after clause (2), inserting a comma, and the following: "including the development of a comprehensive long-range economic plan approved by the Secretary;".

SEC. 202. Subsection (c) of section 505 of the Public Works and Economic Development Act of 1965 is amended by adding at the end thereof the following:

"Not to exceed $2,500,000 of the funds authorized to be appropriated by this subsection for each fiscal year shall be allocated by the Secretary to each regional commission to carry out the purposes of this section."

SEC. 203. Section 509 of the Public Works and Economic Development Act of 1965 is amended by redesignating such section as section 510 and by inserting after section 508 the following new section 509:

"SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

"SEC. 509. (a) In order to enable the States and other entities within economic development regions established under this Act to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the Secretary is authorized, once a comprehensive long-range economic plan established pursuant to clause (2) of section 503(a) of this Act is in effect, and pursuant to specific recommendations, approved by him, of the regional commissions heretofore or hereafter established under this title and after consultation with appropriate Federal officials, to allocate funds appropriated to carry out this section to the heads of the departments, agencies, and instrumentalities of the Federal Government responsible for the administration of such Federal grant-in-aid programs, to be used for the sole purpose of increasing the Federal contribution to projects under such programs above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. No program or project authorized under this section shall be

implemented until (1) applications and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this Act, and (2) the Regional Commission involved has approved such program or project and has determined that it meets the applicable criteria under section 504 and will contribute to the development of the region, which determination shall be controlling. Funds may be provided only for Federal grant-in-aid programs for which funds are available under the Act authorizing such programs. Funds so provided shall be available without regard to any appropriation authorization ceilings in such Act.

"(b) The Federal portion of such costs shall not be increased in excess of the percentages established by each commission, and shall in no event exceed 80 per centum thereof.

"(c) The term 'Federal grant-in-aid programs' as used in this section means all Federal grant-in-aid programs in existence on or before August 1, 1967, assisting in the acquisition of land or the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by title I of this Act and by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Voca-

tional Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; and National Defense Education Act of 1958. The term shall not include any program in which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this section, and shall not be taken into account in the computation of allocations among the States made pursuant to any other provision of law.

"(d) There is hereby authorized to be appropriated to the Secretary for use in each of the regions for the purposes of this section the sum of $5,000,000 for the period ending June 30, 1968, and the sum of $10,000,000 for the fiscal year ending June 30, 1969.

"(e) An application for a grant under this section shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under this section shall be approved for assistance."

SEC. 204. The Public Works and Economic Develop-

ment Act of 1965 is amended by adding at the end of title VI thereof the following new section:

"ADMINISTRATION, OPERATION, AND MAINTENANCE

"SEC. 604. No Federal assistance shall be approved under this Act unless the responsible Federal official is satisfied that the project for which Federal assistance is granted will be properly and efficiently administered, operated, and maintained."

Amend the title so as to read: "An Act to revise and extend the Appalachian Regional Development Act of 1965, and to amend the Public Works and Economic Development Act of 1965."

Passed the Senate April 27, 1967.

Attest: FRANCIS R. VALEO,

Secretary.

Union Calendar No. 208

90TH CONGRESS
1ST SESSION

S. 602

[Report No. 548]

AN ACT

To revise and extend the Appalachian Regional Development Act of 1965, and to amend title V of the Public Works and Economic Development Act of 1965.

APRIL 28, 1967

Referred to the Committee on Public Works

AUGUST 8, 1967

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

S. 602

AN ACT

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

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For actions of August 17, 1967
90th-1st; No. 131

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HIGHLIGHTS: House passed social security bill. House Rules Committee cleared Appalachia and foreign-aid bills. House committee reported San Rafael Wilderness bill. Senate passed foreign aid bill. Sen. Javits and several Reps. introduced and Sen. Javits discussed rural water quality control aid bills.

HOUSE

1. SOCIAL SECURITY. Passed, 415-3, with amendments H. R. 12080, which amends the Social Security Act in several ways, including a 12½% increase in benefits (pp. H10663-743). Rep. Boggs discussed difficulties in the social security law as it relates to Federal employees (pp. H10691-2).

2. VETERANS BENEFITS. Agreed, 404-0, to the conference report on S. 16, to increase veterans' pensions and provide additional readjustment assistance for service after Jan. 31, 1955. pp. H10744-8

3. WINE TAX. Concurred in the Senate amendments to H. R. 1282, to provide for withdrawal of wine from bonded wine cellars without payment of tax, when rendered unfit for beverage use. This bill will now be sent to the President. pp. H10749-50

4. FOREIGN AID. The Rules Committee reported a resolution for consideration of H. R. 12048, the foreign aid bill. p. H10811

5. APPALACHIA. The Rules Committee reported a resolution for consideration of S. 602, to revise and extend the Appalachian Regional Development Act of 1965. p. H10811

6. WILDERNESS. The Interior and Insular Affairs Committee reported with amendment H. R. 5161, to designate the San Rafael Wilderness, Los Padres National Forest, Calif. (H. Rept. 568). p. H10811

7. PUBLIC LANDS. The Interior and Insular Affairs Committee reported with amendment H. R. 12121, to extend the Public Land Law Review Commission (H. Rept. 561). p. H10811

8. VOCATIONAL REHABILITATION. The Education and Labor Committee reported with amendment H. R. 12257, to amend the Vocational Rehabilitation Act to extend and expand the authorization of grants to States for rehabilitation services and to provide assistance for migrants (H. Rept. 563). p. H10811

9. RECLAMATION. The Interior and Insular Affairs Committee voted to report (but did not actually report) H. R. 8775, amended, to increase the appropriation authorization for the Missouri River Basin. p. D739
   Rep. Pettis criticized S. 1004, to authorize the central Arizona project. pp. H10756-7

10. FOOD STAMPS. Reps. Vanik, Shipley, and Gray spoke in favor of continuing the food stamp plan. pp. H10751, H10797-8, H10804-5

11. FARM BUREAU. Rep. Resnick criticized the Farm Bureau Federation and defended his inquiry into its affairs. pp. H10781-6
   Rep. Langen inserted an article questioning Rep. Resnick's inquiry relating to the Farm Bureau. p. H10763

12. FOREIGN TRADE. Rep. Nelsen asked an investigation of trade with Communist countries. pp. H10760-1

13. GRAIN RESERVE. Rep. Zwach inserted a letter from W. M. Thatcher recommending that any grain reserve bill provide for storage in farm or cooperative elevators and that none of the grain be sold at less than 115% of the loan price. pp. H10760-1

14. TRAINING. Rep. Curtis inserted an article recommending changes in the Government manpower training program. pp. H10761-3

15. FARM PROGRAM. Rep. Kleppe inserted a farmer's cost-income statement indicating "why farmers go broke." p. H10772

16. LEGISLATIVE PROGRAM. Rep. Albert announced next week's program: Mon., Consent Calendar, vocational rehabilitation, transfer of peanut allotments, Public Land

CONSIDERATION OF S. 602

AUGUST 17, 1967.—Referred to the House Calendar and ordered to be printed

Mr. ANDERSON of Tennessee, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 910]

The Committee on Rules, having had under consideration House Resolution 910, report the same to the House with the recommendation that the resolution do pass.

○

House Calendar No. 102

90TH CONGRESS
1ST SESSION

H. RES. 910

[Report No. 565]

IN THE HOUSE OF REPRESENTATIVES

AUGUST 17, 1967

Mr. ANDERSON of Tennessee, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

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RESOLUTION

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 602) to revise and extend the Appalachian Regional Development Act of 1965, and to amend title V of the Public Works and Economic Development Act of 1965, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill

shall be read for amendment under the five-minute rule. It shall be in order to consider without the intervention of any point of order the amendment in the nature of a substitute recommended by the Committee on Public Works now printed in the bill, and such substitute for the purpose of amendment shall be considered under the five-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

House Calendar No. 102

90TH CONGRESS
1ST SESSION

H. RES. 910

[Report No. 565]

RESOLUTION

Providing for consideration of S. 602 to revise and extend the Appalachian Regional Development Act of 1965, and to amend title V of the Public Works and Economic Development Act of 1965.

By Mr. ANDERSON of Tennessee

AUGUST 17, 1967

Referred to the House Calendar and ordered to be printed

H. RES. 910

RESOLUTION

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
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HIGHLIGHT: House debated Appalachia bill.

SENATE

1. PERSONNEL. Passed, 79-4, S. 1035, with amendments, to protect the civilian employees of the executive branch of the Government in the enjoyment of their constitutional rights and to prevent unwarranted governmental invasions of their privacy. pp. S12912-59

2. APPROPRIATIONS. Agreed, 74-3, to conference report on H. R. 10738, the defense appropriation bill. This action cleared the bill for the President. pp. S12959-71

3. FARM PRICES. Sen. Long, Mo., inserted an article favoring the "need for higher domestic farm prices." pp. S12896-7

4. COTTON. Sen. Tower inserted several articles on the "current cotton situation and the 1968 cotton program." pp. S12908-10

5. FORESTRY. Sen. Ellender inserted a speech by SCS Administrator Williams delivered at the dedication of a tree farm in La. pp. S12894-6

6. POVERTY. Sen. Kennedy, N. Y., urged the passage of the poverty bill and inserted an article in support of this measure. p. S12902

7. SMALL BUSINESS. Conferees were appointed on S. 1862, to amend the authorizing legislation of the Small Business Administration.
House conferees have not been appointed. pp. S12950-1

8. ECONOMY; TAXATION. Sen. Proxmire disagreed with the proposed tax increase and inserted several articles to support his position. pp. S12891-3
Sen. Baker inserted an article relating to the use of tax dollars, "Offbeat Diary: Tracking a Tax Dollar is Tough." p. S12971

9. FLOOD INSURANCE. S. 1985, to provide for a national program of flood insurance, was made the unfinished business. pp. S12972-9

HOUSE

10. APPALACHIA. Began debate on S. 602, to revise and extend until June 30, 1969 the Appalachian Regional Development Act. pp. H11765-97

11. FOREIGN AID. The conferees agreed to file a report on H. R. 9547, authorizing the U. S. to increase by $900 million the resources of the Fund for Special Operations of the Inter-American Development Bank. p. D807
Conferees were appointed on S. 1872, the foreign aid authorization bill. Senate conferees have been appointed. p. H11763

12. FARM PROGRAM. Rep. Langen criticized the Administration's farm program and deplored the farmers' situation. pp. H11813-14

13. USER CHARGES. Rep. Hall criticized "the variety of fees...that have been imposed at our Federal reservoirs." pp. H11805-6

14. POVERTY. Rep. Kuykendall criticized OEO operations, and Rep. William D. Ford defended them. pp. H11806, H11858-9

15. FOREIGN TRADE. Rep. Schadeberg spoke in favor of restriction of exports to countries dealing with North Vietnam. pp. H11809-10
The Education and Labor Committee reported without amendment H. R. 478, to amend the Fair Labor Standards Act to establish procedures to relieve domestic industries and workers injured by increased imports from low-wage areas (H. Rept. 638). p. H11861

16. MEAT INSPECTION. Rep. Smith, Iowa, inserted an article describing consideration of the meat inspection bill. pp. H11831-3

future of the American city. We in Congress must match this faith by a vote of confidence for rent supplements.

Mr. Speaker, I warmly congratulate the insurance companies of the United States who have taken a major step toward helping to solve a major problem in American society—the need to rebuild urban communities and plant new opportunities for those who have lived too long without hope and without help.

Private enterprise made America strong and great. Today, we have good reason to believe that American business will help to lead us forward to a new and better future.

APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1967, AND AMENDMENTS TO THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

Mr. ANDERSON of Tennessee. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 910 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 910

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 602) to revise and extend the Appalachian Regional Development Act of 1965, and to amend title V of the Public Works and Economic Development Act of 1965, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider without the intervention of any point of order the amendment in the nature of a substitute recommended by the Committee on Public Works now printed in the bill, and such substitute for the purpose of amendment shall be considered under the five-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Tennessee is recognized for 1 hour.

Mr. ANDERSON of Tennessee. Mr. Speaker, I yield 30 minutes to my distinguished colleague from Tennessee [Mr. QUILLEN] and, pending that I yield myself such time as I may consume.

Mr. Speaker, this is a recommendation for an open rule calling for 3 hours of debate and waiver of points of order on S. 602, a bill to revise and extend the Appalachian Regional Development Act of 1965 and to amend title V of the Economic Development Act of 1965. Title I amends the Appalachian Act. Title II amends the EDA legislation with respect to other regional development programs.

The Rules Committee was impressed with the legislation fashioned by the Committee on Public Works.

I would like to pay tribute at this point to the Ad Hoc Subcommittee on Appalachia which did the spadework on the bill and its very able chairman, the gentleman from Alabama [Mr. JONES]. He has once again demonstrated the quality of his leadership in bringing an excellent piece of legislation to the floor.

There is a great concern these days about the troubles of our cities, about the increasing depth and complexity of the whole urban problem. Part of this problem, of course, is the seemingly endless influx of people from rural areas and small towns into metropolitan areas. This bill is aimed at providing opportunities—jobs—in Appalachia and with moving forward with plans for other regions. It is a choice between this and poverty. Perhaps more to the point it is a choice between this and the high cost of migration from the region of unequipped, impoverished people.

Title I of this bill is the second increment in a 6-year attack on the economic decline that has plagued the Appalachian region.

This program began, in one respect, as an experiment in government. It broke new ground in Federal-State relations that so far has given great promise.

In its other aspects, the program is unique because it consists of a regional approach to a regional problem. The very name "Appalachia" has come to imply underprivilege and want.

The program consists of highways, health facilities, land conservation, timber harvesting, restoration of land damaged by mining, an inventory of water resources, housing, vocational education, sewage treatment and antipollution and supplemental assistance in an array of other Federal programs. These are all designed for the peculiar terrain and economic characteristics of the Appalachian region.

The bill authorizes $221.3 million for all nonhighway programs for the next 2 years and an additional $175 million for highways for the next 4 years.

This program has already made inroads into the Appalachian problem. Highways, vocational schools, mine restoration, and public facilities have introduced hope into the region. This is a noteworthy beginning. It should be allowed to continue.

Title of this bill gives some more muscle to the five regional commissions established under the Public Works and Economic Development Act of 1965. These commissions, patterned after the Appalachian Commission, encompass all or parts of New England, the Upper Great Lakes, the Ozarks, the Southeast Coastal Plains, and the four corners of the Far West.

The bill amends the law to direct $2.5 million per year to each of the commissions for research, planning, demonstration projects, and administrative expenses. The money was authorized in the 1965 act, but the commissions have been slow to get underway. The amendment directs that the Secretary of Commerce, under whose jurisdiction the commissions fall, makes the funds available to them.

In addition, the bill authorizes $5 million this fiscal year and $10 million next fiscal year for each commission to use in supplemental assistance. The prototype for this program—helping localities take advantage of available Federal grants-in-aid—has been very successful in Appalachia and it should be helpful elsewhere.

I urge adoption of the rule.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Tennessee. I yield to the distinguished gentleman from Iowa.

Mr. GROSS. Mr. Speaker, will the gentleman explain why the rule provides for a waiver of points of order on this bill?

Mr. ANDERSON of Tennessee. The reason for the waiver is that section 112 (b), starting on page 43 of the bill and continuing on pages 44 and 45, involves a revolving fund of $5 million, which could be considered to be in the nature of an appropriation. This revolving fund, called the Appalachian housing fund, has as its principal purpose the enabling of the Federal Government to pay up to 80 percent of the cost of planning and the cost of obtaining insured mortgages for housing projects.

Mr. GROSS. That is the sole reason for the waiver of points of order?

Mr. ANDERSON of Tennessee. It is my understanding that is the sole reason, I will say to the distinguished gentleman, and I am sure also the gentleman has noted the rule does provide and make in order consideration of the substitute bill.

The SPEAKER. The Chair recognizes the gentleman from Tennessee [Mr. QUILLEN].

(Mr. QUILLEN asked and was given permission to revise and extend his remarks.)

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the distinguished gentleman from Tennessee [Mr. ANDERSON] has stated, House Resolution 910 provides for an open rule with 3 hours of general debate, waiving points of order, for the consideration of S. 602, the bill to revise and extend the Appalachian Regional Development Act of 1965 and to amend title V of the Public Works and Economic Development Act of 1965.

The rule provides for a waiver of points of order because on pages 44 to 45 of the bill a revolving fund is provided for which is in the nature of an appropriation of funds.

Title I of S. 602 contains the amendments to the Appalachian Regional Development Act and authorizes increased expenditures for the program. Authorized to be expended is $936.7 million, of which $396.7 million represents new money. The remainder is a reauthorization of funds for the highway program now underway in the area.

Several new projects are added to the act, including a housing program similar to the low- and moderate-income program of section 221 of the Housing Act, and a new acid mine pollution control program.

I am happy that this bill contains an additional $35 million for access highway construction. This will make it possible for the various States to build more access roads, which will serve a useful and needed purpose.

New counties are added to the region included in the Appalachian area, 24 in number, stretching from New York on the North to Mississippi in the South.

The act is amended to provide that all moneys appropriated will not become entangled in the cobwebs of the various executive departments.

Title II of the bill contains amendments to the Public Works and Economic Development Act. These amendments require that $2.5 million be allocated for technical assistance and research for each regional development commission now in the creation stage. Second, supplemental grants are authorized in each regional development area similar to those available in Appalachia. For 1968, $5 million is authorized for each area; for 1969, $10 million.

Mr. Speaker, I have long been a champion of the Appalachian regional program, and I know from personal experience how helpful the program has been to the people of my district. I strongly support it, and I want to see it continue as effectively as it has been in the past.

The Appalachian program is a good program, and this is a good bill. A fine beginning has been made in 2 years and the promise which this program holds for the future is real. In a relatively brief time, enormous progress has been made to construct a development highway system in the region, to develop health and education facilities, to deal with erosion, water resources, and other improvements, to unlock the enormous potential of this time-honored area of our country. This progress is substantial, but it is not enough. Much remains to be done, and this program certainly has proved itself as the way to do it.

What has been accomplished is fundamentally a tribute to the close cooperation of all levels of Government and people of different political persuasions in taking the limited assistance authorized by the Appalachian Act and making it work for the welfare of the Appalachian people. The Appalachian Regional Commission itself is the prime example of this cooperation between States and the Federal Government in making the decisions which are fundamental to the program. It is not a matter of a Federal bureaucrat or some department or bureau handing out orders. Within the Appalachian Commission there is an opportunity for the States to sit down, discuss their problems, discuss their needs, discuss their priorities, and to participate in the decisions on the expenditure of funds and the policies for their expenditure. This is healthy; this is wholesome. More importantly, it works. And, putting responsibility on the States for the development of plans, programs, and projects—making them prove their cases—gives local people someone they can get hold of—the Governor.

It should be noted that the Appalachian Regional Commission, which has authority over the funds authorized by the Appalachian Act, and makes the key decisions on their expenditure, is a good institution partially because it is practically a nonpartisan institution. Four members of the Commission are Republicans—the Governors of Ohio, Pennsylvania, New York, and Maryland. Their votes within the Commission are as potent as those of their Democrat colleagues. Their judgements on the expenditure of funds in their States hold as much sway as those of Democrat Governors.

There has been little hint of partisanship in the conduct of the Commission's affairs. The fact that the Republican Governors, whose States are participating in the program, have strongly urged its continuation is further testimony on this point.

I concur in the statement of my colleague from Tennessee that the benefits of this program go not just to the immediately affected region but beyond that to the country as a whole. If we are to begin to deal with the problems of the cities of which we are reminded daily by the press, by Members of Congress, and by events, we must find opportunities—jobs—outside the great metropolitan areas of the country.

Enormous migrations have taken place from the mountains of the Appalachian chain to the great metropolitan areas of the North and Northeast. This process has proceeded virtually unabated for 30 years and more. If it is not abated, solutions to our urban problems will become increasingly expensive and increasingly complex. Further, if Appalachia continues to impose a drain on the Nation's resources for welfare, for support and subsistence, the ultimate cost of the American taxpayer will be far greater than the immediate cost of a remedial effort such as authorized by the Appalachian Regional Development Act.

The program which it authorizes is hardnosed. Its focus is not on welfare or relief but on opportunity. It attacks the fundamental obstacles to economic growth in this region, the need for access, the need for better education, for health facilities, for erosion control, for exploitation of its water resources, and for dealing with the peculiar legacy of coal mining. Beyond these forms of assistance, the focus is on organizing all levels of government to do a better job with other Federal, State, and local programs and funds. The ultimate objective is to attract private capital, productive enterprise, and jobs which in the final analysis is the solution to the Appalachian problem.

A truly impressive start has been made to use the special assistance program authorized by this legislation. This beginning is the prolog to a new era for this region. It deserves further support of the Congress.

To capitalize on this start, I feel it would be wise and effective for us to approve the change in the appropriations procedure called for in this bill.

This House very seldom gets the opportunity to do anything more than talk at great length about States' rights, State sovereignty and the slow erosion of the federal system. This is one of those rare occasions when we can do more than just talk about it.

The Appalachian program is State-oriented. It was conceived and born in and of the States. They are its essential components. Their rights and their prerogatives are given full sway.

If we authorize the appropriation of funds to the Commission as proposed, I think we are doing a lot more than just paying lipservice to States rights. We are dignifying the whole concept of the Commission and thereby the whole idea of State responsibility. We are saying to the States that we believe you are fully capable of spending these funds prudently and carefully.

This approach is not a blank check. The guidelines and rules and regulations of each agency concerned must be fully adhered to. The expenditure of this money will be subjected to all the checks and balances all Federal funds are.

So I see little danger here in ending the confusion and diffusion of the present procedure. In fact, I see more than one plus. I see a better framework for the Congress to keep this program under scrutiny.

At the same time, we would be recognizing the effectiveness of essential management of the money for this program. Scatter-gun appropriations obviously lack the force of the single direct stroke in applying the money where it does the most good. We have already recognized the effectiveness of an association of States into a single commission for the purposes of this program. Why should we not extend the same recognition to the coordination of funding?

I would urge sanction of this method of financing if only as an experiment. After all, the Appalachian program itself is an experiment and if we can do anything to help guarantee its success, I believe it is incumbent on us to do so.

I take this opportunity to call to the attention of all Members and urge that they read the minority views contained in the report on S. 602, starting on page 72 and ending on page 85. There are also supplemental and additional views, which might be of interest and which follow the minority views in the same report, and I, likewise, call these to your attention.

Mr. Speaker, I urge that the rule be adopted.

Mr. Speaker, I have no further requests for time, but I reserve the balance of my time.

Mr. ANDERSON of Tennessee. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. JONES of Alabama. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 602 to revise and extend the Appalachian Regional Development Act of 1965, and to amend title V of the Public Works and Economic Development Act of 1965.

The SPEAKER. The question is on the motion offered by the gentleman from Alabama.

The motion was agreed to.

The SPEAKER. The Chair designates as Chairman of the Committee of the Whole the gentleman from Illinois [Mr. PRICE], and the Chair requests that the gentleman from Massachusetts [Mr. BOLAND] temporarily assume the chair.

IN COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 602, with Mr. BOLAND in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN pro tempore. Under the rule, the gentleman from Maryland [Mr. FALLON] will be recognized for 1½ hours and the gentleman from Florida [Mr. CRAMER] will be recognized for 1½ hours. The Chair recognizes now the gentleman from Alabama [Mr. JONES].

Mr. JONES of Alabama. Mr. Chairman, I yield 5 minutes to the distinguished chairman of the Committee on Public Works, the gentleman from Maryland [Mr. FALLON].

Mr. FALLON. Mr. Chairman, when President Lyndon B. Johnson signed into law the Appalachian Regional Development Act of 1965, he called it the "truest example of creative federalism in our time." The bill had run the gauntlet of hearings in the House and the Senate in both the 88th and 89th Congresses. Behind the bill lay a solid year of work by a Presidential Commission broadly representative of the States, various Federal agencies, and other interests concerned with the well being of the Appalachian region. In spite of that long history, however, we could not know how prophetic the President was. This program has truly harnessed Federal, State, and local governments to use the funds and the time allotted to them in the best interests of the people of the Appalachian region.

The bill before the House today would extend the Appalachian program for an additional 2 years, make minor amendments in it, and, based on its experience, authorize limited funds for other regional development programs.

The Committee on Public Works is proud to report this legislation to the House. This is a good bill. The committee and the House are indebted to the gentleman from Alabama [Mr. JONES] for his outstanding work as chairman of the Ad Hoc Subcommittee on Appalachia. That this program has been successful is due in no small measure to the time and efforts expended on it by that subcommittee and the full Committee on Public Works in 1965.

There is no need for me to recount the reasons the Appalachian program was enacted. The plight of this region and its people have been recounted and analyzed many times over the national press and in testimony before committees of the Congress. Because of recent developments in the country, however, I think it should be noted by Members of this body that the national interest is involved in this bill and in this program. It is currently appropriate to recount and to dwell on the problems of the cities and to suggest elaborate and extremely expensive cures for those ailments. What we have in the Appalachian program is some preventive medicine, for without an intensive and creative development effort for this region, out migration will continue. And that means out migration to the great metropolitan areas of this country where the costs of economic dislocation grow higher and higher with each passing year.

The cost of this medicine is small. In my judgment, this is one of the best investments in the future of the country authorized by the legislation before this body today.

Mr. JONES of Alabama. Mr. Chairman, I yield myself 10 minutes.

(Mr. JONES of Alabama asked and was given permission to revise and extend his remarks.)

Mr. JONES of Alabama. Mr. Chairman, the Committee on Public Works has today brought to the floor of the House for its consideration the bill S. 602, to revise and extend the Appalachian Act of 1965 and to amend the Public Works and Economic Development Act of 1965 with respect to regional development programs, fostered under title V of that program.

At the outset, Mr. Chairman, I would like to commend the steadfastness of the members of the special subcommittee, along with the members of the full committee, for giving complete and very deliberate study to all of the problems involved in this program.

Mr. Chairman, it is my opinion that it is significant that during the course of several months we have received a wide group of people and have heard from them, representing every interest and from every local government, and not a single witness appeared before the committee to protest the aims and the aspirations contained in the legislation.

Gov. Hulett Smith, the cochairman with the States' other chairmen, appeared to represent the States. The Governors and their representatives testified at great length as to the value and the importance of this legislation in developing a meaningful program that would give relief and assistance to depressed areas of our country. This bill is the second installment of the program.

Back in 1965 we passed the previous development highway section of the bill which would last until 1971. The other programs, of which there are a variety, we felt it would be necessary for us to make seasonable examinations as to how they were being received, how they were being administered, and the results they were obtaining in their administration. So it is for that reason that we are extending the other programs in making additions to the development highway section, brought about by the addition of the State of New York, which I will go into a little bit later.

I believe it is also worthwhile that we discuss the historical background and development of this program. In 1960 the Governors of the affected States met in a conference to examine what could be done in a concerted fashion to have programs that would be helpful to these underprivileged areas that were not showing economic growth, that were faced with health problems, and where educational qualities were deteriorating. They came out with the response that they needed a coordinated program along with the Federal Government.

President Kennedy appointed a commission that worked with the Governors. As the result of those consultations a proposal was made which was submitted by President Johnson and was later drafted in the bill that we have had under consideration.

Mr. Chairman, the Appalachian area of our country is central to the history of our Nation. Its hardwoods built most of the great cities of our Nation. Its coal fired the furnaces and provided the power to build our economy. Its waterways were the avenues of commerce which marked the early history of this Nation. But too much of the coal was mined without adequate care, too much of the timber was cut without proper conservation, and too many rivers were polluted with industrial waste, mine acids, and other foreign matter.

The small subsistence farms which were the early base of American economy and society were going, and going very rapidly, even more rapidly in Appalachia than elsewhere in the country because the limited terrain and the topography did not lend itself to an expansion of large land areas. These factors created all the problems we are dealing with now. A new economy had to be built. We had to have new enterprises, new jobs.

So it was that the Appalachian Regional Development Act took into account some of the major aspects of the problem. This is centered on transportation in providing funds for a system of major highways throughout the region complementary to the interstate routes, and to provide new access for commerce, and to gain access into the region.

You will recall that the major portion of this program of $840 million was set aside for highway and access road development, because it was felt that transportation was the most wanted need in the entire area.

We had to make better use of our regions of water resources through the development of a comprehensive plan for the region.

We had to have better use of the land in the region by land damaging and mining and through treatments of other land which are Federal cost sharing.

We had to have better health facilities.

We had to have better educational institutions, and particularly vocational education.

We had to have sewer treatment plants, and through a program of supplemental grants in aid, to make better use of Federal programs which had not been fully effective in these areas.

We had to have better organization through the creation of a joint Federal-State commission to administer the program and place primary responsibility for a concerted development effort upon the State governing bodies.

The Appalachian Regional Development Act created a commission proposed by the Governors of the Appa-

lachian States and the representatives of the Federal Government who serve as cochairmen with one of the Governors.

This has been a very fine arrangement. It has worked well. I am told there has not been a dissenting vote in any of the meetings of the commission on the aims and programs that have been discussed in the Governors' conference or with the conference of the Governors' representatives.

Now, because of the leadtime needed for planning and right-of-way acquisition, the highway program, as I have just stated was for a 6-year period is just getting started. It is expected to utilize some 2,350 miles of development highways and approximately 1,000 miles of access roads.

Other programs such as health, land stabilization, timber, mining, water resources were included in the 2-year program.

All of this is designed to achieve one objective: the economic betterment of a perpetually underprivileged part of America.

It was recognized that this could not be accomplished, that the region could not become self-sustaining, simply through a random application of Federal grants-in-aid programs of funds.

The Congress even laid this down as a mandate by declaring in the findings and the statement of the purpose of the act of 1965:

> The public investments made in the region under this act shall be concentrated in areas where there is a significant potential for future growth and where the expected return on public dollars invested will be the greatest.

The CHAIRMAN. The gentleman from Alabama has consumed 10 minutes.

Mr. JONES of Alabama. Mr. Chairman, I yield myself 5 additional minutes.

Mr. Chairman, this Appalachian program is a means to an end rather than an end itself. The ultimate solution lies in the investment of private capital in the region and, perhaps more importantly, the retention of its own capital wealth through reinvestment.

This has been a unique program, Mr. Chairman, because the States have provided the initiative in deciding their own needs and priorities within the framework of the Appalachian Commission and then worked with the Federal Government to meet their goal. It was the Governors who approached the Federal Government for assistance, and the States have an equal voice in making the decision in carrying out the program.

It is also unique that the States have not uniformly adopted the same program, because the necessities of one State may not fit the requirements or the immediate needs of other States. Consequently, there has been a diverse use of employment of the Federal programs that went into play in developing this total program.

The Appalachian Act of 1965 authorized $840 million for development highways and access roads and $252.4 million for all other programs. The committee bill, in effect, reauthorizes the amount and adds an additional $175 million to the highway program to provide $140 million for the highway corridors that are to be constructed in the States of Pennsylvania and New York, and $35 million for access roads over and above that heretofore authorized. So we have an additional amount in the bill for highways of $175 million.

There was not any insistence that mileage be increased. There was not any insistence that the Commission would come back and re-petition for an enlargement of the program. But so far the program has advanced to where the construction is underway. Other highways are being planned programed.

When we were considering the act of 1965, I said:

> In the past, most Appalachians have earned their income from three major activities—coal mining, lumbering, and farming. Each of these occupations has declined over the past quarter of a century. Each has declined nationally, but the effects in Appalachia have been particularly severe. That means that new skills must be provided and for that reason we have included in this bill a program that will accelerate the construction of vocational education facilities in Appalachia.

That acceleration has taken place. Seventy vocational schools have been initiated. Fifteen thousand students will attend class this fall in vocational education schools that have been stimulated by this program. Schools now under construction will accommodate another 18,000 students. Funds expended for this purpose are essential to insure that 10 or 20 years from now this body will not be called upon to consider an Appalachia problem. Because of this impressive activity which has been undertaken to provide vocational education—skills and jobs—and because of what can be accomplished in the next 2 years, the committee increased the funds authorized for this purpose by $8 million over the Senate bill. The bill authorizes $26 million for 50-percent matching grants for vocational education through fiscal year 1969.

This is the only increase that was made by the House committee. Virtually all funds authorized and appropriated for the land stabilization, mine area restoration programs have been committed to capitalize on the land available for development in the region, and we are providing for a continuation of this program.

Water resource surveys have been on schedule, and the bill carries $2 million additional for that purpose.

The philosophy in the 1965 act was not only to provide extra financial assistance to the Appalachian region, but also to make better use of existing Federal grant-in-aid programs in which the Appalachian area had not participated to a full extent because of a lack of matching funds and the know-how to make these programs work.

The evidence presented to the committee established quite clearly that the Appalachian program is meeting these needs. Federal grants-in-aid to the programs eligible for supplementary grants have almost doubled from $65 million in 1965 to $131 million in 1967. Rarely does this House get such clear evidence that a program is doing what it is supposed to do.

The other section of the bill is the recognition of the critical needs in housing. It amends the Appalachian Redevelopment Act to produce better use of section 221 of the National Housing Act relating to low- and moderate-income housing, through loans to underwrite the costs of planning projects, obtaining insured mortgages, and related activities in Appalachia.

Testimony further shows that of all the areas in Appalachia, only Pittsburgh, Pa., and Birmingham, Ala., have utilized this program.

The bill also adds 20 additional counties in Mississippi, which is a contiguous area which has the economic dislocations that are characteristic of the area. It also adds two additional counties in Alabama, one in the State of Tennessee, and one additional county in New York. The committee felt justified in including these additional counties because of their relationship to the Appalachia area.

Now, with respect to title II of the bill. That title amends the Public Works and Economic Development Act to earmark funds for research, planning, demonstration projects, and administrative expenses for regional development commissions organized under that act. It also authorizes funds for supplementary grants similar to those that were included in the Appalachian Act. These provisions were added by the Senate because these programs had been proven in Appalachia, and it was the expectation in enacting the Economic Development Act of 1965 that those five commissions would pursue the same effort that the Governors made in Appalachia, and collect all the genius of their people, and their knowledge and information, and work out their own program.

Five regional commissions have been organized under the Economic Development Act. They are as follows: the Ozark, which includes parts of Arkansas, Missouri, and Oklahoma; the Upper Great Lakes, including parts of Michigan, Minnesota, and Wisconsin; New England, including Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, and Vermont; the Coastal Plains, including the coastal areas of Georgia, North Carolina, and South Carolina; and the Four Corners Region, including parts of Arizona, New Mexico, Colorado and Utah. There is demonstrated need in these areas and demonstrated capabilities of the people to put together a useful program that will inure not only to the benefit and profit of these areas, but will have a wholesome and welcome effect upon the economy of the entire United States.

I apologize to the Committee for having taken so long, but I felt there was need to review before the Committee the basis of the act and the experience in its administration and experience in programing.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

How many States presently are involved in this thing known as Appalachia?

Mr. JONES of Alabama. Twelve States.

Mr. GROSS. Twelve States. It has not reached out to California yet, has it?

Mr. JONES of Alabama. No.

Mr. GROSS. But it has gotten into Alabama, Mississippi, and New York?

Mr. JONES of Alabama. Under the act of 1965, the State of New York had the license to come in. It did not at that time, because their program schedule was not sufficiently advanced to permit them to come in.

The State of Mississippi, on the other hand, felt it would rather wait to see the effect of the program in other States before being admitted.

At the Governors' conference on admissions, in the deliberations, there was not a single vote by any State to deny them the admission of those counties.

The CHAIRMAN pro tempore (Mr. ROSTENKOWSKI). The time of the gentleman from Alabama has again expired.

Mr. JONES of Alabama. Mr. Chairman, I yield myself 2 additional minutes.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Kentucky.

Mr. PERKINS. I should like to compliment the distinguished gentleman from Alabama for a great amount of work on a most important piece of legislation.

Since I come from the heart of the Appalachian area, I am concerned about the main artery highways. If I understood this correctly, up until July 1, 1966, the Federal Government paid not only 70 percent for advance engineering, design, and acquisition of highway rights-of-way, but also 70 percent for the actual construction of four lanes.

Mr. JONES of Alabama. Not for four-lane highways. That was for access roads of two lanes. The amount made available for four lanes has been 50 percent.

Mr. PERKINS. Since July 1, 1966, it has been 50 percent. For the main artery highways today it is the policy to pay 70 percent for the acquisition of rights-of-way and advance engineering, but only 50 percent for construction. If the States wants to go ahead with a four-laining of main artery highways the State has to pay 50 percent of the construction; is that correct?

Mr. JONES of Alabama. That is correct.

Mr. PERKINS. But that is only a policy of the Bureau of Public Roads, and there is nothing in this bill to prevent the Federal Government from paying 70 percent of the actual construction on four lanes today; is that correct?

Mr. JONES of Alabama. As I understand the gentleman's question, it is: Can they pay up to 70 percent? They can pay up to 70 percent, but have not engaged in paying up to 70 percent on four-lane highways.

Mr. PERKINS. There is no limitation to prevent them from paying 70 percent, if the Federal Government so desires, on main artery four-lane highways?

Mr. JONES of Alabama. That is correct.

Mr. PERKINS. Mr. Chairman, I approach this Appalachian legislation with conflicting feelings. I am, of course, heartily in favor of it. Yet, I am gravely disappointed that the amounts of money are so much smaller than the sums I feel are necessary to accomplish the job we have set out to do: to improve the economic status of the people who live in the mountain areas of the eastern United States.

My viewpoint is a bit different from that of many Members of the House.

First, because I am from this Appalachian mountain area, I know the need; I know the deprivation that exists in my part of the country. I also know that while this program does not have all the answers, it is certainly on the right track and holds the best promise of something better.

Second, as chairman of the Committee on Education and Labor, I sit in on the authorizing of billions of dollars for education and welfare—the program to end poverty, to help schools, and to provide other programs. I know something of the needs of the people.

But the Appalachian program is different from the welfare programs. It is intended to build an economic base by providing highways, sewer systems, airports, industrial parks, hospitals—all the elements which would make it possible for this mountain region to attract to it the industry which would provide jobs for a population which, with the proper training, would supply a pool of intelligent and capable workers.

Among all the many worthwhile features of the Applachian program, I feel that the one which would benefit the region the most is the one which would make our cities and town and creek hollows accessible to the rest of the world. I mean the program under which the Appalachian Commission is helping State highway departments pay for the construction of highways in the mountain area where such construction is far more expensive than in the flatlands of so much of our Nation.

It is here that I feel my greatest disappointment with the measure before us. What we need to open the Appalachian region to the rest of the world is the construction of four-lane highways. Yet, the amounts contained in the bill for roadbuilding have been so reduced that it will be a great temptation for State highway departments to be content with two-lane main artery roads.

I know that the Committee on Public Works has done the best it could with this measure. My own ideas of what should be authorized are far above the amounts the President put in his budget. I wish the committee had not reduced the sums requested by the President.

I most earnestly urge the House not to go below the figures arrived at by the Public Works Committee. It is greatly important that the Appalachian program, which has been in existence 2 years, not lose any of the momentum it has acquired during its brief life.

I am especially pleased that the committee has increased the authorization for vocational education from the sum of $18 million to $26 million. Roadbuilding, industrial development, greater access to the outside world will call more and more for the skills the vocational schools of Appalachia can impart to our people.

I urge vigorously that this bill be approved.

(Mr. PERKINS asked and was given permission to revise and extend his remarks.)

Mr. CRAMER. Mr. Chairman, I yield myself such time as I may consume.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 248]

Adair	Fisher	Murphy, N.Y.
Ashley	Flood	O'Hara, Mich.
Aspinall	Gallagher	Pirnie
Baring	Green, Oreg.	Rivers
Bell	Hanna	Rumsfeld
Berry	Hansen, Idaho	St Germain
Bolling	Hansen, Wash.	Saylor
Brademas	Hébert	Sikes
Brown, Calif.	Heckler, Mass.	Steed
Celler	Hicks	Teague, Tex.
Clawson, Del	Holland	Ullman
Cohelan	Leggett	Vander Jagt
Collier	McCarthy	Willis
Corman	McCulloch	Wilson,
Daddario	McMillan	Charles H.
Dingell	May	Wolff
Dorn	Miller, Calif.	Wyatt
Evins, Tenn.	Moss	
Feighan	Multer	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRICE of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill S. 602, and finding itself without a quorum, he had directed the roll to be called, when 376 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. CRAMER].

(Mr. CRAMER asked and was given permission to revise and extend his remarks.)

Mr. CRAMER. Mr. Chairman, we have before us today a bill known as the Appalachian Regional Development Act Amendments of 1967, which in effect is a potpourri of public works, a warmed-over, accelerated public works program, Area Redevelopment Administration reincarnated, all of those programs having proved to be an abject failure. So we are trying again to do something about poverty through public works, from which we never get a full dollar's worth of value for each dollar spent.

This is a program for which we have already appropriated in previous years approximately $300 million for development highway and access roads, and $166.9 million for other Appalachian programs, a total of nearly a half billion dollars.

Secondly, we are asking in this legislation, or the committee is, for new authorizations for Appalachia of $396 million. This together with existing unappriated authorizations for development highways and access roads of $540 mil-

lion, totals $936.7 million. The Congress previously appropriated $466.99 million, so the total previous appropriations, plus future authorizations, including this bill is $1.4 billion—and this is for 4 years of a 6-year general program and 6 years of the highway program, so there are 2 more years to go at least on the general program. To make sure all these other EDA areas get in on some of the Appalachian goodies, there is $75 million more for those EDA areas.

Of course, that is the move. That is what is coming. All of these EDA areas are involved. They have already announced some five of them regional commissions, and there are two more under consideration, and there is a third they are talking about in the gulf coast area. They are all going to get these special potpourri programs.

So this Appalachia is the pattern for endless public works, for accelerated public works programs. I believe we should realize that.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I shall be glad to yield to the gentleman when I have finished my remarks.

Mr. HAYS. I should like for the gentleman to yield briefly, on the subject of EDA. That is only thrown in to dredge up enough votes to pass the parent bill.

Let me say that I have six counties in Appalachia, and it is the greatest boondoggle which ever came down the road.

Mr. CRAMER. I will say to the gentleman, I am delighted I yielded. The gentleman always makes a valuable contribution, and particularly so in this instance.

That was the next subject I was to get to. That was a mighty fine preface.

One of the previous speakers said that President Johnson suggested this was the beginning of creative federalism.

The gentleman suggests, and I suggest, it is one of the best examples or the perfect example of creative favoritism. As a matter of fact, there is going to be a discussion by the distinguished gentleman from Nebraska [Mr. DENNEY] as to whether or not it is constitutional to provide such favoritism to Appalachia, to the exclusion of the rest of America.

The gentleman is eminently correct. EDA has been thrown into attract votes.

Members will notice that the principal speaker had to list every State which is going to get special treatment under this EDA title II, to make sure that those who come from those States vote for this thing, not because they are in Appalachia but because they are going to get a little something, perhaps, out of title II, in EDA, which should not be in this bill in the first place.

This is supposed to be the Appalachia bill. It is clear that many Members of the House believe, as I do, that this is basically discriminatory legislation, discriminating against the rest of the Nation. If it is good for Appalachia, why should it not be good for the rest of the Nation?

It is quite obvious. There is no evidence that this total package of potpourri accelerated public works is doing the job or will do the job on a permanent basis. ARA did not do it. APW did not do it. This is warmed over failure.

Why, they are talking about demonstration health facilities, land stabilization, timber development, mining restoration, water resources surveys, a new housing program, vocational education, sewage treatment, supplemental grants across the broad spectrum of Federal aid, with programs up to 80 percent of the cost thereof, local development district assistance, and highways.

Highways, incidentally, are very interesting. When this bill was presented to us a few years ago I was under the impression that this was going to open up new areas, that this was going to take the mountain region of Appalachia and permit the development of highways and opening up these distant areas, separated from the rest of the country by these craggy mountains and these valleys, areas which are inaccessible, and this was going to open up the great region for development.

What happened? Here is what they have done. They have decided they want to build arterial highways, not new ones. They want to reconstruct and improve presently existing highways which they say are not built to a high enough standard.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. In view of the gentleman's contribution a while ago, I yield briefly.

Mr. HAYS. I wonder if the gentleman can enlighten me about what a developmental highway is. In my State they are retreading U.S. Route 50 to Cincinnati. I did not know Cincinnati was in Appalachia, but that is what they are doing with all the money.

As the gentleman says, the whole original concept of access highways has been lost. They are just rebuilding already existing highways, with an awful lot of money.

Mr. CRAMER. The gentleman is eminently correct. That is the point I was attempting to make.

Here is the map of what they are building. The idea is they want to have connecting arterial highways. This is in addition to the primary system, to the secondary system, and to the urban highways already approved for Federal participation. This is in addition to the interstate highway system.

Boy, if anybody got a bonus out of the Interstate Highway System it was West Virginia, shortly after the election in 1960. Prior to the election, interstate mileage in West Virginia totaled 385 miles. Out of the 528 miles left undesignated, they got an additional 125 miles, yet they have to have more highways, arterial highways, through the State of West Virginia and other States.

So what they are doing is retreading, as the gentleman from Ohio [Mr. HAYS] says, the present highways and building them up to higher standards. I am not debating this. I want to say in all fairness that there is an access road program, which is possibly what the gentleman from Oklahoma wants to say. I will yield to him in just 1 minute. However, how much of the $1.015 billion are we putting into access highways for opening up new areas? It is $35 million. That is generous, is it not? They are asking us for $35 million more in this bill. That is what they want for opening up new areas.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I thank the gentleman for yielding.

I know what a campaign he had on States rights. I am sure he is aware that the decisions within the States on what the priority needs are in Appalachia are being made by the highest elected officer in the State almost without exception, that is, by the Governor of the State or his duly constituted highway authority. So the gentleman apparently is not satisfied with a State determination as to what the highest priority need is for highway development within the Appalachia region.

Mr. CRAMER. I will say to the gentleman that there were certain guidelines suggested by the executive branch of the Government and the Bureau of Public Roads, which they naturally took into consideration. Secondly, there was a study made by a regional commission prior to that time, and they made certain suggestions. I do believe that whether it is Federal or State officials, if you are going to open up new areas, I believe you should spend money for that and not for retreading old roads.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Ohio.

Mr. HAYS. The guideline in my State was very clear. It was, let us build highways to where the most votes are. To hell with Appalachia. We do not care about access roads to those hill counties, because there are only a few people down there, maybe 16,000 or 20,000 people. Let us build a road to Cincinnati, because there are 500,000 or 600,000 people there and maybe more.

Mr. CRAMER. The gentleman from Ohio expressed it far more colorfully than I dare to on the floor of the House.

So, what does this bill do? The bill provides basically for substantial additional funds. We can expect at least $2 billion more. We can expect when it is over with that the problems are not going to be solved, either. That is what bothers me. If I thought this would solve the problems of Appalachia over a 6-year period, that would be something else. Now, do not tell me they are not going to have to do it again, if you are going to do the job, because there will be another $2 billion here for another 6 years. If I thought it would do the job and help these poverty-stricken people, and if we had the evidence that they were getting the help any more than they are under the Office of Economic Opportunity, then that would be different. If I thought they were the ones who were going to benefit by this, then that would be different. The facilities that are going to be built are going to be built in the big city areas rather than the poverty areas. If they were not then I would be much more

inclined to support the legislation even though it will be discriminatory. But in my opinion, if it is not going to do the job, it is discriminatory by itself.

What are they doing in this bill? This will not do the job. Is it capable of doing the job? No. It is just a mustard plaster on an area which is supposedly suffering from the cancer of underdevelopment. It is just in the inherent nature of the area. They are saying that it is not doing so well so far, so we had better expand it. Let us get a lot of $2 billion programs into this Appalachia region and apply some of these mustard plasters on top of others. Let us inject some new elements in this. Let us mix up a potpourri of public works, and maybe this will help some. Of course, at the same time they are saying that we had better change the man who is at the head of the program. Do you know who is going to head the program up under this bill? It is a man who has all kinds of time to do it. He only has to deal now with Vietnam, with the budget, with taxes, and with everything else. He is the President of the United States. He is going to be in charge of this program under this new suggested bill that is before us. He is going to be the one who will control the money and decide which agencies get it and how much.

Of course, he can do it to some extent anyway. But we direct in this bill that he is the man to whom the money is going. We are putting all of it into the hands of the President. The bureaucratic maze, that we will have to go through in order to get decisions will be intolerable, as compared to decisions under the present law.

Mr. FARBSTEIN. Mr. Chairman, will the gentleman yield to me?

Mr. CRAMER. I really did not expect to take this much time, but if the gentleman is interested in propounding a question, I shall be glad to listen.

Mr. FARBSTEIN. I want to make a very short statement to the effect that if you are given an opportunity to vote for an amendment to aid the cities, and if the gentleman is so concerned about them, I do hope the gentleman will support my amendment when it is offered.

Mr. CRAMER. I do not recall making that statement. The gentleman knows full well that I oppose such an amendment.

Mr. FARBSTEIN. Mr. Chairman, if the gentleman will yield further, then the gentleman belies his own statement?

Mr. CRAMER. Well, I do not think the gentleman from New York [Mr. FARBSTEIN] quite understood what I was saying. What I was saying is that the money goes to the President. I do not know that that has to do with the problems of the cities.

Mr. Chairman, what else will they do? They are amending this bill and are adding to it 24 new counties, new counties that are not located in the mountain land areas, as well as 17 other counties in an area unrelated to this problem. They do not represent regional development problems. That is what has been stated that is going to be done, added to a part of the mountainous regions or to a part of our mountain lands.

But, lo and behold, this may be another matter or indication or location where we may need to get a few more votes and therefore, we have got to bring into the coverage of this program 24 more counties; we have got to add a few in New York, we have got to add a few here and there, we have got to bring in some Mississippi counties, because of an oversight or otherwise we left them out, a substantial number of counties.

And, Mr. Chairman, what else have we got to do? We have got to expand the program by authorizing funds in excess of the amounts that have been appropriated in the past for any given fiscal year.

This year the President asked for fiscal 1968 approximately $64 million. And, what is being asked for in this bill? The $220 million is being requested for a period of 2 years, for 1968 and 1969. The amount which will be left over for fiscal year 1969 represents an amount about 2½ times the amount which was asked for in fiscal year 1968.

How does one possibly justify that request?

Of course, I will admit that there is a $42 million carryover of appropriated funds but if you add that to approximately $64 million budget request for 1968, there will be approximately $106 million total available for expenditure in 1968. If $220 million is authorized for fiscal years 1968 and 1969, some $156 million will be available for appropriation in 1969.

Mr. Chairman, we know that we have on our hands a war. And, based upon the best authority in the House of Representatives, the statement of the chairman of the Committee on Ways and Means, the gentleman from Arkansas [Mr. MILLS], unless we pass a surtax this year, we will have a $28 billion deficit. It is my opinion that our consideration of the legislation dealing with Appalachia must be considered in view of the deficit with which we are confronted and based upon the amount of money which we can reasonably and logically expend.

For that reason, Mr. Chairman, an amendment will be offered to cut the amount which has been requested to a reasonable amount, the amount which was requested for fiscal year 1968 plus unexpended funds carried over from 1967, and to provide for the same amount for fiscal year 1969.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. CRAMER. Mr. Chairman, I yield myself 5 additional minutes.

The CHAIRMAN. The gentleman from Florida is recognized for 5 additional minutes.

Mr. CRAMER. So, Mr. Chairman, what they are proposing for fiscal year 1969, which starts during the period of the Presidential election, which will be held in November 1968, is that the President should have under his control, and not under the control of the various departments and agencies, $156 million, about 2½ times what he is asking for this year for accelerated public works in the area of Appalachia.

Mr. Chairman, we do not like that arrangement. We think it is unreasonable. We think that the departments and agencies that have been administering the program should be considered and that the program ought to continue to operate as it has in the past and that the Congress should handle and approve the authorization. Also, we think that the amount which is being requested in this legislation is unreasonable.

Mr. Chairman, what else has been done in this legislation? They have proposed the expansion of a number of programs. Secondly, they have added new programs. And, if you want to read the bill and what it contains with reference to new programs—and this program, incidentally, came out of the Committee on Public Works, you will find a housing program. It did not come out of the Committee on Banking and Currency—we on the Committee on Public Works now are authorities on housing and real estate, all of a sudden.

According to this language, which is contained on page 43 of the bill, section 207, we are going into assistance for planning and other preliminary matters with reference to proposed housing projects under the National Housing Act.

So, Mr. Chairman, what we are going to do is to provide for the making of loans not to exceed 80 percent to private enterprise or public associations, for the purpose of making preliminary surveys, analyses of market needs, as well as preliminary site engineering and architectural fees as well as even site options.

The cost of site options will be money loaned for that purpose. This is a matter that should be considered by the Committee on Banking and Currency, not by the Committee on Public Works. An effort will be made to strike it out until the committee that should properly consider it looks into the problem.

I have discussed briefly the money involved here, and I will deal with that to a greater degree when the debate period commences.

Now we are moving into EDA, which has no business being in this whatsoever. That is not only my word; that is the same thing the manager on the part of the other body said on the floor of the other body when it was up for consideration, we have no business going into an EDA matter in an Appalachian bill. What did he say? He said:

> It is impossible for me, however—

And this is the manager on the Senate side, and this appears at page 84 in the minority views—

> It is impossible for me, however, to accept an amendment for the authorization of substantial sums of money for programs which have not been given adequate hearing.

The administration did not ask for title II. The administration did not ask for it. The gentleman from Ohio put his finger on it when he said that in order to get enough votes for Appalachia they threw it in. They knew they were in trouble on Appalachia, because it relates to this authorization, so they threw in EDA. It has no business being in there.

The floor manager on the Senate side said:

> However, the money that is in there is just seed money.

And have we not seen these seeds grow into big, fat, spending trees before? That is exactly what is going to happen here. The $75 million will be $500 million.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Ohio.

Mr. HAYS. They are reaching out and touching everybody, in Ohio they give every school in Appalachia, every school some money, about 50 cents a student.

Mr. CRAMER. I believe that is further evidence that this program is not going to do the job, because it does not get down to the person in need. This is obvious. I am confident this is not going to be the answer. If I thought it would be the answer, if I thought it would do the job in Appalachia, that would be one thing, but it will not do it.

But I recognize the realities of life, and this bill very probably will pass. It probably will, because it is part of an ongoing program, therefore the only alternative left will be to work toward trying to make a decent bill out of it. So we will in good conscience, in carrying out our responsibilities, offer an amendment. We offered some 29 amendments in the committee itself, and some 15 were passed, and I thank the majority for giving reasonable consideration to those amendments.

There are others remaining that should be considered. We hope to eliminate the housing title section. We hope we can come out with a dollar figure of a reasonable amount. We hope we can take EDA out of this. It does not belong in here whatsoever in the first place. We hope we can leave the spending authority where it belongs, in the agencies that administer the specific programs. I hope the Members will give serious consideration and attention to those amendments that are intended to make a better program out of this.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Kentucky.

Mr. SNYDER. Mr. Chairman, I rise in support of this legislation. It appears that the work of the Appalachian Regional Commission represents about the only exception among the new programs initiated by this administration which has not created more problems than it has helped to solve. I give my support to this legislation with cautious optimism, but hasten to indicate that any reluctance comes from what I believe to be an indaequate consideration of the achievements of the past 2 years and potential problems that may or may not exist. On the surface it appears that the implementation of this act has resulted in accomplishments without charges of mismanagement, political interference, or the many other charges so prevalent in other programs. The surface should be scratched to be certain.

There are several things about the proposed amendments incorporated in the House version of S. 602 which do concern me and which I would like to see cleared up.

This legislation was originally intended to expedite the economic development of the Appalachian region which I believe to be those counties in the Appalachian Mountain area which share the similar characteristics of rugged terrain and some degree of isolation by virtue of the terrain. In 1965 the Senate added 13 new counties in New York and the Senate in the current bill has added 18 counties in the State of Mississippi, two additional counties in Alabama, and one additional county in New York to which the House Committee on Public Works has agreed. In addition, the House Committee on Public Works has added three additional counties. The House should delete any of these new counties which are not in the Appalachian Mountain Range, because it merely tends to dilute the appropriation that will be made and thereby deprive existing bona fide counties of funds that would otherwise be allotted to them.

I believe I am correct in my understanding that, with one or two exceptions, these new counties do not fall within the general understanding of what we consider mountain country. If the Congress continues to increase the area covered by this program, it will lose its significance to the area it was designed to help. I am not impressed with the argument that this legislation is "favoritism." Admittedly, it is—so is agriculture legislation to the rural areas of agriculture abundance that it helps—so is urban renewal to the cities and much other legislation that is enacted.

The supplementary views of the Senator from California [Mr. MURPHY], as they appear in the Senate's report on S. 602, are very compelling to me.

It is essential that the House support the committee's action in deleting from the Senate bill "the cultural programs" since this act is designed to improve the economic standards of the area affected rather than the esthetics of the area. In addition, the House should give consideration to the deletion of the title "Assistance for Planning and Other Preliminary Expenses of Proposed Housing Projects Under Section 221 of the National Housing Act," as the Farmers Home Administration and the Federal Housing Administration have been handling the situation in the Appalachian region without any serious problems and adequately enough.

As I indicated earlier, this program is about the only one which has not found itself embroiled in conflicts and disputes over jurisdiction with other agencies; this housing section could well be the end of the honeymoon in that respect.

As the Members know, this act will cease to be in effect on July 1, 1971, and its 2 years of life thus far indicate that it may well accomplish the purpose for which it was designed if it can be kept within the concept of the original act.

(Mr. SNYDER asked and was given permission to revise and extend his remarks.)

Mr. HAYS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Ninety Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 249]

Adair	Flood	Multer
Ashley	Flynt	Murphy, N.Y.
Aspinall	Fraser	O'Hara, Mich.
Baring	Gallagher	Pirnie
Bell	Gathings	Pool
Brademas	Green, Oreg.	Rivers
Celler	Hansen, Idaho	Rumsfeld
Clawson, Del	Hansen, Wash.	St Germain
Cohelan	Hébert	Saylor
Collier	Herlong	Sikes
Corman	Holland	Teague, Tex.
Cowger	Irwin	Ullman
Daddario	Kleppe	Vander Jagt
Dent	McCarthy	Willis
Dickinson	McCulloch	Wilson,
Diggs	McMillan	Charles H.
Evins, Tenn.	May	Wolff
Feighan	Miller, Calif.	Wyatt

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRICE of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill S. 602, and finding itself without a quorum, he had directed the roll to be called, when 378 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. JONES of Alabama. Mr. Chairman, I yield 10 minutes to the distinguished member of the Committee on Public Works, the gentleman from Oklahoma [Mr. EDMONDSON].

(Mr. EDMONDSON asked and was given permission to revise and extend his remarks.)

Mr. EDMONDSON. Mr. Chairman, as one who has enjoyed through the years debating now and then with my good friend, the distinguished gentleman from Florida, on various pieces of legislation, I enjoyed particular pleasure in hearing several of the gentleman's remarks in his preliminary argument today in connection with the consideration of this legislation.

In the first place, it was a real pleasure to learn from the gentleman from this well that the minority really does not expect to defeat this bill; that all they are undertaking to do in the offering of amendments—and they do have in mind the offering of a considerable number of amendments. I cannot help but think immediately when I hear this statement of the famous old story about the fisherman who upon having caught an old catfish, said, "Hold still, little catfish; I am not going to hurt you; I am just going to cut your guts out."

Mr. Chairman, I think the gentleman from Florida has something like that "catfish operation" in mind when he says they are going to offer constructive amendments to the bill on the floor today.

The fact of the matter is that the Committee on Public Works in working upon this particular piece of legislation, has already accepted and agreed to approximately 20 amendments that were offered by the gentleman from Florida and by his distinguished colleague, the gentleman from Iowa [Mr. SCHWENGEL], as well as various other members of the minority.

As a matter of fact, we adopted so many amendments offered by the minority while we were marking up this bill that I got to believing we were going to have to call it the Jones-Cramer-Schwengel bill before we got through marking it up to bring it to the floor of the House. Because what we did in committee, I say to my friends in this House, was to take the cream of the amendments that were offered by the other side, and I believe they did improve the bill in some particulars, and I believe we owe a debt of gratitude to our friends on the minority side for some of the amendments that were offered in committee.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. Yes, I yield to the gentleman from Florida.

Mr. CRAMER. Does the gentleman say that those were gutting amendments? I would hope the gentleman would take another look at the ones we expect to offer, because they are not really gutting amendments, except on title II, and we would like to kill that fish entirely.

Mr. EDMONDSON. I would like to say to the gentleman that when he speaks about deleting entirely title II, the gentleman is certainly in the position of gutting that section, and that is what it means to me and to the people throughout the country.

Mr. CRAMER. We will take the whole fish on that one, we will defeat it entirely.

Mr. EDMONDSON. After we had adopted these 20-some odd amendments, some of them helpful amendments, we then faced a situation in which even with all these amendments, even with a reduction of more than $50 million below the Senate figure, our good friends on the other side still were not satisfied with the product. As a matter of fact, I understand that some of them are circulating amendments here today that were not even offered in the committee when we considered this bill, and are asking us to give consideration on the floor to those amendments.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Chairman, I propose to offer an amendment that will clean this bill up real good; I propose to offer an amendment striking out the enacting clause.

Mr. EDMONDSON. The gentleman I believe has made his feelings about this bill fairly clear already. I understand his feelings about it. I regret the gentleman, who is always constructive and always informed on any subject, could not find the time to come to the Committee on Public Works when we were considering this bill over a period of days when there were a series of hearings held on it, so that we might have the ideas and suggestions the gentleman has to offer about improving it. But I know the gentleman is a busy man, and I know he was in attendance those days on the floor of the House when we were meeting into the afternoon in trying to get this bill out.

Mr. Chairman, the second remark of the gentleman from Florida that I particularly appreciated was what I understood to be his major argument against title II.

If I heard the gentleman correctly and understood him correctly, the principal argument he has against title II, which provides the grant-in-aid money for these other regional commissions, is that the administration did not ask for it. That is the principal argument made by the gentleman from Florida, that the administration did not even ask for this.

Mr. Chairman, I wonder if any of my friends on this side of the House last fall heard the attacks over and over again which were leveled at those of us on the Democratic side of this House, that we were rubberstamps, and we were rubberstamps because we were voting for the things the administration had asked for. The things we had acted upon and voted for, that were asked for by the administration, drew fire all over this country from those on the other side of the aisle.

Now we come before this House with a piece of legislation on which we have exercised legislative initiative, on which we have recognized a need for these five new regional commissions for grant-in-aid money, or for specific authorization of administrative money or technical assistance and planning money, and the big argument on the other side is "Well, the administration did not even ask for it."

Am I to assume from that, Mr. Chairman, that the rubberstamps in the House today are my friends on the other side of the aisle, my Republican friends, who are not going to go along with this because the administration did not ask for it?

Am I to assume that if the administration does not ask for something that my friends on the other side are going to vote against it, that they are going to be the rubberstamps in this Congress insofar as requests by the administration are concerned?

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. Yes, I am glad to yield to the gentleman.

Mr. CRAMER. We do not say that President Johnson is wrong all the time. We just say that he is wrong most of the time. In this instance he is right and I compliment him for not unbalancing the budget further by asking for these programs. I do not want to impose upon the indulgence of the House by taking up too much time, but there are stated and elucidated five or six reasons in the minority views as to why title II should not be in here. I call attention to page 83 of the report. I thank the gentleman for yielding.

Mr. EDMONDSON. I think if anybody wanted to explore the minority views and turn to the minority report, they can find about 15 different versions of what the minority thinks about this. There are about as many versions of the minority views as there are minority members of the committee—and some of them signed two or three different versions.

It all adds up to the fact in my personal judgment that our friends of the minority, or at least some of them, are not ready to make good on another commitment of the Congress of the United States.

Yesterday I commented on the fact that our friends on the minority side, or at least some of them, have been doing everything in their power apparently to create a credibility gap for our Government and to create it by legislative action.

I pointed to the fact with regard to our commitments under the Alliance for Progress, commitments to our neighbors in this hemisphere, that our friends on the minority side had lead a drive to make it impossible to fulfill those commitments for the Alliance for Progress.

Yesterday I pointed out that they had taken another position against fulfilling our commitments to Great Britain with regard to minesweepers, giving Britain an opportunity to bid on Navy minesweepers. Once again they created by their votes and their position yesterday a credibility gap for the United States by voting not to honor a commitment of our Government.

Now we come, my friends, to commitments to the citizens of the United States and commitments to Governors of the several States and commitments to the sovereign States of the Union that are parts of these regional commissions. I point out the fact that when we passed this Appalachian bill in 1965, we said in very clear language, and I think in unmistakable terms, that if it was the decision of the Appalachian Commission to admit the counties in New York into the Appalachian Commission—if it was the decision to bring them in and submit plans for economic development in these counties in New York that the Congress would then act to honor the commitments with regard to those counties in the Appalachian Commission. That is in the bill that was passed in 1965. You will find the specific language on page 17 of the Act. The Appalachian Commission proceeded to admit some of the counties of New York and thereby created a specific need for funding for those counties. Most of the money involved for Appalachia—new money—is money to build this corridor highway across Pennsylvania and the State of New York that was spoken about by the gentleman from Florida.

But here again we have a clear commitment—this time not a commitment of the Secretary of State; this time not a commitment of the Secretary of Defense, but this time we have a commitment of this Congress, if you please—the Congress of the United States—and we propose to fulfill that commitment to the people of New York and to the people of Pennsylvania and of the Appalachia region and to the five new regional Commissions as well, because those were created specifically in accordance with the provisions of the Public Works and Economic Development Act of 1965.

Mr. CLEVELAND. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman.

Mr. CLEVELAND. Is it not true that the gentleman now in the well is the

chairman of a special subcommittee of the Committee on Public Works to investigate the workings of the Economic Development Act, and is it not true that that committee has met only once this year for a hearing and that that committee is not fully staffed? Am I substantially correct in that statement?

Mr. EDMONDSON. I do not think the gentleman is correct in the statement he makes as to the number of times that the subcommittee met. I do not think he is far from wrong in saying that we are not fully staffed, since, like most subcommittees, we would like to have additional staff if feasible. We have had excellent assistance from the general committee staff, however.

Mr. CLEVELAND. I question the implication of the gentleman in the well—and I have the highest regard for him—that the minority is acting irresponsibly or in bad faith. If you read the minority views carefully, bearing in mind that the investigatory committee to look into the Economic Development Act is totally understaffed and has had only 1 day or so of hearings, I think the minority position to look with askance at adding title II to this bill without benefit of public hearings is not unwise and not unjustified.

Mr. EDMONDSON. Let me say to the gentleman that I have made no implication of bad faith on the gentleman's part intentionally. If the gentleman read that from my remarks, I regret it very much, because when I speak about tactics that are pursued by the other side in their efforts to achieve objectives that I think they have, I certainly do not question their motives and their good faith in connection with those tactics. If the gentleman wants to read something that is injurious to him from the fact that, as I see it, some amendments are being talked about here today that were not offered in the committee, well, I do not believe that is a matter of bad faith. I think that is a matter in this instance of not very good procedure with regard to a matter that you want the committee to accept or agree to.

I think the amendments you are proposing today to enlarge Appalachia and to splinter the New England Commission, if I understand the gentleman correctly in what he is proposing, is something that should have been presented to the ad hoc Subcommittee on Appalachia.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. CRAMER. Mr. Chairman, I yield 15 minutes to the gentleman from Iowa [Mr. SCHWENGEL].

The CHAIRMAN. The gentleman from Iowa is recognized for 15 minutes.

Mr. SCHWENGEL. Mr. Chairman, I am pleased to rise to acknowledge the talents of the people with whom I have worked and the talent which has been evident on the floor here.

First, I wish to pay tribute to the chairman of the full Committee on Public Works, who is one of the finest presiding officers under whom I have ever served in any legislative effort. He is eminently fair, and he gives the minority a chance to be heard.

I am glad to note the broadminded attitude of the gentleman from Oklahoma [Mr. EDMONDSON], who wants to give we of the minority credit. He calls this the "Jones-Cramer-Schwengel bill." I like that already, but I would like to see it amended so it would be truly bipartisan through the acceptance of the amendment of the gentleman from Ohio [Mr. HAYS] so that it would be called the "Jones-Cramer-Schwengel-Hays bill." Then it will be vastly improved.

Mr. Chairman, the distinguished and capable ranking minority member of the Committee on Public Works, the gentleman from Florida [Mr. CRAMER], has very effectively and thoroughly outlined the responsible and constructive minority position on the legislation before us. I wish he would have had time to elucidate further on his version and on his ideas, because he so well expresses the minority attitude and does it so very understandably.

The Appalachian regional development program, as has been suggested, is not based on "creative federalism"; rather, as has also been stated, it is "creative favoritism." It is a program of economic discrimination. It is a program of preferential treatment. It is a program which I believe, in some respects, is misdirected. Certainly, I think it can be proved that it is untimely and, in some respects and in some areas, is cruel.

As we pointed out in the minority report on S. 602, prosperous counties within Appalachia receive special Federal financial assistance while less prosperous counties elsewhere do not. Economically depressed counties in Appalachia receive special financial assistance under both the Appalachian program and the Public Works and Economic Development Act of 1965, while eocnomically depressed counties outside Appalachia receive special financial assistance only under the Public Works and Economic Development Act.

Mr. Chairman, as I have just indicated, the name of the Appalachia game is preferential treatment, and, in what I believe to be the best interests of the entire Nation, I feel constrained to voice my objections to this preferential treatment for Appalachia.

I concur strongly in the objections of the minority to the enactment of S. 602, as reported by the committee.

I sincerely hope that all members of this committee will read the minority report.

There are several principal areas of concern which many of us share.

First, sections of the bill before us would authorize the appropriation to the President—I repeat, to the President—of all funds to carry out the Appalachian Regional Development Act, except funds to cover the administrative expenses of the Appalachian Regional Commission, which are authorized to be appropriated directly to the Commission. In accord with the objections to this procedure, as outlined today by the gentleman from Florida [Mr. CRAMER], such provisions of the bill should be stricken and the original procedure left intact.

Second, S. 602, as reported, would expand the Appalachian region by adding 24 additional counties. One in New York, one in Tennessee, two in Alabama, and 20 in Mississippi. Some of the areas of Mississippi to be included as part of the Appalachian region if S. 602 is enacted lie west of the longitude of Chicago. This seems to be stretching the definition of the Appalachian region too far. Who knows where it will eventually stop? Maybe Los Angeles? I see no justification, in fact or in theory, for an expansion of this region.

Third, an excessive authorization of funds is contained in S. 602, as reported. At a time when fiscal matters of the Federal Government must be closely watched, this is no time—as is any time—to authorize an excessive amount of funds. Authorizations should be only for the funds justifiable and not in excess of requests or needs.

Fourth, I am opposed to the adding of new programs in the overall Appalachian development program, including the very questionable low- and moderate-income housing assistance program and the development of a new acid mine pollution control program. Such programs are now being undertaken on a nationwide scale, and I see no need to give the Appalachian region even further specialized treatment, especially when the region has not even made adequate use of programs available to any section of the Nation.

Mr. Chairman, for these reasons alone, every Member should support the minority amendments to S. 602. They are constructive. They are not dilatory. They are in the best interest of good legislation and very much in the public interest.

Mr. Chairman, at this time, I would like to dwell on two matters surrounding this legislation which deserve particular attention: First, the lack of adequate minority staffing to assist the minority members of the Committee on Public Works in carrying out their responsibilities with respect to this legislation; and second, matters relating to the so-called land stabilization, conservation, and erosion control section of the 1965 act, section 203, and amendments thereto embodied in S. 602, as reported. These are matters about which every member of the Committee should know. They are matters which should be called to the attention of all America.

INADEQUATE MINORITY STAFFING

Mr. Chairman, as we pointed out in additional views on S. 602, consideration by the committee of S. 602 again presented the minority members of the committee with the unsurmountable problem of trying to prepare alternative, more effective legislation without staff assistance in the highly specialized field of economics.

Since 1962, the Committee on Public Works has been responsible for handling legislation designed to promote economic development of, and to reduce unemployment in, various portions of the country through Federal grants and loans for public and other facilities, and by providing other types of financial assistance. As additional social legislation

was considered by the committee and enacted into law, the minority made repeated requests of the chairman of the committee to authorize the employment of a qualified and experienced economist on the minority staff. All such requests have been rejected.

Mr. Chairman, Federal economic stimulation programs can have far-reaching impact, either beneficial or detrimental, upon both the areas of the Nation to which they apply and other areas which do not qualify for the assistance provided. The massive spending of Federal funds, together with required matching funds, can substantially affect the economy of the entire Nation, the national debt, inflationary spirals and the value of the dollar, the location of new industrial and commercial enterprises, and decisions to close or to not enlarge existing enterprises.

It goes almost without comment that members must rely upon committee staffs, who are experts in specialized fields, to collect countless volumes of data needed for a full understanding of the problems proposed to be alleviated by legislation, to organize and digest such material into manageable proportions, and to evaluate the material in light of their specialized knowledge and experience. In the absence of such staff assistance, enactment of legislation to cure economic ills must, to a large measure, be pursued in a hit-or-miss fashion without any assurance that the benefits to be produced justify the cost, or that the legislation will achieve the results desired.

I think it important to point out at this point that not only do the minority members of the Committee on Public Works suffer from the lack of an adequate number of staff members with varied professional training and experiences, but so do the majority members. The majority, likewise, has no economist on the committee staff to review, analyze, and make recommendations with respect to the ever increasing social and economic proposals coming before the committee. The minority needs a chief clerk, yet it has none. It needs an economist, yet it has none. It needs an associate counsel to take the load off the back of the majority's chief counsel, yet they have none. They need additional engineering assistance, yet they have none. As every Member can now see, these staffing problems relate to the majority, as well as to the minority. For the second session of the 89th Congress, 1966, the chairman of the committee turned back over $100,000 in committee funds which went unexpended, at a time when additional staff—majority and minority—was needed. The expenditure of several thousands of dollars for experienced, trained staff, in the long run, could save the American taxpayers millions of dollars. I suggest that the committee leadership is being pennywise and pound-foolish in its staff hiring policies. Why not have well-qualified and adequately compensated staff members? Majority and minority.

The obvious result of inadequate staffing is that the committee must stumble along as best it can without being able to make adequate evaluation of legislation requested by the executive branch, whose witnesses come before the committee armed with facts and figures to prove whatever they desire.

When faced with the substantial amendments contained in S. 602, most minority members desired to make a complete review of the effectiveness of both the Appalachian program and the Economic Development Act program, for there are obvious deficiencies and objectionable features in each. We desired to combine the two programs into one nationwide program to eliminate duplication and to make the resulting program more effective. We thing the vast resources of the private sector of the economy should be made an integral part of a comprehensive economic development program.

When faced with the monumental task of searching out and collecting essential information and data, visiting representative areas of the country to determine their problems and needs, conferring with State and local officials and business and labor leaders in an effort to develop a really workable and effective program, we soon came to the conclusion that our limited, though capable, staff could not even make a dent in this workload in the short amount of time available to us. Reluctantly, I might say very reluctantly, we were forced to abandon, at this time, the development of constructive alternative legislation.

Mr. Chairman, as a member of the ad hoc Subcommittee on Appalachia of the Committee on Public Works during the 88th Congress, I stressed repeatedly the need for a first-hand examination of the Appalachian region and its problems. I repeatedly asked the chairman of that ad hoc subcommittee to make an official factfinding tour of the region. My requests went unanswered. Likewise, no factfinding trips were made into the region, to hold hearings among the people, during the 89th Congress, when the Appalachian Act was enacted. We are being asked to act on legislation without first-hand knowledge, as a committee, of the area, its people, and its problems.

During the summer of 1964, while consideration of the Appalachian Regional Development Act of 1964 was proceeding before the ad hoc subcommittee, I launched out with several minority staff members from the committee staff and my office staff and at my own expense to investigate the needs of the region. I held a full day's hearings among the people of this region. What I saw and heard showed to me conclusively that the Appalachian program, as it stands today, will not solve the problems of the region by 1971, the target date for the termination of the Appalachian regional development program. It is, in my opinion, very unfortunate that all members of the committee were not afforded an opportunity to make a factfinding tour of the region. Even if all the committee members had been unable to make such a tour, it could have been made by the staff—if we had had a full staff complement. But we did not then and do not today.

During the consideration of S. 602 by the Committee on Public Works, the overworked and understaffed minority staff worked many, many nights past midnight, trying to do the work which would have required twice the number of staff members to do justice to the legislation. Yet they stuck with it. And they did a very commendable job with the amendments and the minority report. They are to be praised for it. They should be thanked. We have the most capable minority staff on the Hill, in my opinion, but we need more of them.

As we pointed out in our views in the report, the public interest is not served when a committee of the Congress is unable to properly analyze and evaluate proposed legislation and to develop alternative measures itself because of the lack of professional staff assistance in specialized fields.

All Members of the House should be able to look to the Committee on Public Works for the detailed evaluation and fully informed consideration of legislation reported by the committee. To the extent that the committee is unable to fully discharge its responsibilities because of inadequate staff—majority and minority—Members of Congress are unable to legislate in the best interest of the American public.

I believe that the best guarantee of sound legislation and good government is knowledge that every legislative proposal on which a Member of Congress is asked to vote is subjected to critical analysis and evaluation, and that the varying viewpoints are fully developed in debate.

For the two-party system to work in the best interest of the American people, however, the minority party, whichever it may be, must be afforded adequate qualified staff assistance to fully discharge its legislative responsibilities.

Mr. Chairman, in this instance, we have had to take the only course available to us, and that is to attempt to eliminate the obviously undesirable provisions of S. 602, rather than to propose a comprehensive alternative measure to completely reorient the programs embraced by this bill, which should, in our opinion, be done.

I respectfully ask, on the record, that the committee leadership give further consideration to the staff needs of our committee—majority and minority. The committee will benefit. The American people will benefit.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield on the point of staffing, so I may clarify one point on that?

Mr. SCHWENGEL. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, the gentleman has spoken about minority staffing with reference to this particular program. Is it not a fact that both the minority staffing and the majority staffing on the subcommittees that deal with this particular field have been supplied from other subcommittees of the full committee, that the majority side and the minority side are in substantially the same position with reference to staffing on these committees? Is that not correct? No new people have been brought in.

Mr. SCHWENGEL. Mr. Chairman, as I indicated, both majority and minority have inadequate staffs. The Special Subcommittee on Economic Development Programs, chaired by the gentleman from Oklahoma [Mr. EDMONDSON], has no staff of its own at all. Its two staff members have been assigned to it on a part-time basis from another subcommittee. How is such a subcommitteed to do a good job, under such circumstances.

Mr. CLEVELAND. Mr. Chairman, will the gentleman yield?

Mr. SCHWENGEL. I yield to thc gentleman from New Hampshire.

Mr. CLEVELAND. Is it not true that although the Public Works Committee is deeply and heavily involved in economic matters we have no one with any particular expertise or experience, on either the majority or the minority staff of the committee, who knows anything about economics?

Mr. SCHWENGEL. We have no professionally qualified economist on either the majority or the minority side of the aisle. The gentleman is correct.

Mr. CLEVELAND. Is it not true, to the gentleman's knowledge, that we have continually requested this type and other expert staff support?

Mr. SCHWENGEL. We have requested it on many occasions.

Mr. CLEVELAND. We do not have any statisticians, and we do not have any people with any special knowledge in the field of Appalachia, which essentially is an economic development approach to unemployment, and we do not have anybody with particular expertise, on either the majority or the minority staff, in this regard.

Mr. SCHWENGEL. The gentlcman is correct.

Mr. CLEVELAND. Is that not the point the gentleman is addressing himself to?

Mr. SCHWENGEL. That is exactly the point I am making.

Mr. CLEVELAND. I commend the gentleman in the well, because on this point he is on absolutely and irrefutably sound ground. There is no question that the Public Works Committee has not been staffed with the necessary experts to really consider these matters and really go into them.

Mr. SCHWENGEL. That is right.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. SCHWENGEL. I yield to thc gentleman from Ohio.

Mr. HAYS. I just say to the gentleman, if there are not any economists on the staff, you might be lucky. This is a situation like the one of the old professor I used to have, who gave the same 10 questions on his examination every year, but everyone did not get an A, because he changed the answers every year.

You might be better off because you do not have one on the staff.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. SCHWENGEL. I yield to the gentleman from Florida.

Mr. CRAMER. I say for the record, I had not intended to get into this aspect of the problem, but I believe the Members know that I and some others have been strong proponents of adequate minority staff, as being the only way the two-party system in Congress or America can really work.

In relation to this particular matter of the EDA Subcommittee, the special investigating and oversight committee, the gentleman who is the chairman of the committee, the gentleman from Oklahoma, has correctly stated that no staff has been made available for this specific purpose, although staff has been borrowed from elsewhere.

The staff of the minority side is overborrowed. They do not have time to do this and everything else which needs to be done.

I specifically requested, in the early part of this session, as I am sure the gentleman knows, at least one additional minority staff member, to be somehow made available specifically for the purpose of trying to provide staffing for the EDA Oversight Committee. If we do not have proper staff for such an oversight committee, there is no way to tell what is tried and true and what will do the job or meet the problem at this time, or any other time.

Mr. SCHWENGEL. The gentleman makes a very good point.

Before I yield further to Members I should like to say that the gentleman knows and the minority Members know that our first attempt was to rewrite this bill so as to take out the discrimination and favoritism which is so patently evident here. But we discovered very early that we did not have staff available nor the necessary time to do the kind of job we wanted to do, to provide what we believed would be better answers to the problems we are trying to solve with legislation of this type.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. SCHWENGEL. I yield to the gentleman from Maryland.

Mr. FALLON. There has been some discussion about whether the minority has been treated fairly on staffing of the subcommittee, or whether help has been given to the minority.

May I say that when we were the minority party and were minority members of the committee, we had one minority employee on our committee. That was when we were in the minority.

Today the minority has eight, and that compares with not that much of an increase in the staff of the full committee. There has been no increase in the staff of the full committee at all, but the minority has eight employees, more than we had when we were in the minority.

Mr. CRAMER. Mr. Chairman, will the gentleman yield to me to ask the distinguished chairman a question?

Mr. SCHWENGEL. I yield to the gentleman from Florida.

Mr. CRAMER. The chairman knows my position on this matter. Is it not true, I ask the distinguished chairman, that early this year, on behalf of the minority, I did request staffing specifically for the purpose of helping to staff the minority on the EDA Oversight Committee? Is that not a correct statement? That is what I said.

Mr. FALLON. That is a correct statement, but there are eight minority employees, from the staffing of the committee.

When we were in the minority we had only one. I might say we were very much more generous and fair when we staffed the committees when we were in power than was true when we were in the minority.

Mr. CRAMER. As far as this Member is concerned, I am living in the present and I am dealing with present problems. I know we have a serious problem with staffing on our side. We only have eight out of 36 staff members. The best evidence of this is that on the EDA Oversight Committee, we believe our request for an additional member for that specific committee was well justified.

Mr. FALLON. The chairman of the subcommittee, who is responsible for this legislation on the floor today, has not complained about the help or the type of help given him in getting the bill on the floor today. We feel the people who have been working on this bill this year have been very competent and very satisfactory to the chairman of the subcommittee.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield for one moment further?

Mr. SCHWENGEL. You are taking all of my time, and I want to make some observations on this point as well as other material. Yes, I yield.

Mr. EDMONDSON. I simply wanted to concur wholeheartedly in what the chairman just said about the absence of any complaint on behalf of the chairman of the subcommittee. I know the ranking minority member of the subcommittee felt differently about it, but I also know that the ranking minority member has had the benefit of a very able man with a great deal of time and experience devoted to it on the minority side. In the same way we have had the benefit of a very able man from the general staff to assist us. I am personally more interested in ability and quality than I am in quantity.

Mr. SCHWENGEL. Mr. Chairman, I request 2 additional minutes.

Mr. CRAMER. We do not have any time. Perhaps the gentleman on the other side will be able to yield to you.

Mr. JONES of Alabama. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. SCHWENGEL. The minority has committed itself to a new policy on minority staffing. I have introduced legislation to grant the minority, whatever it may be at the time, 40 percent of the staff available to the committee in any session of the Congress.

WATERSHED PROJECTS FOR APPALACHIA

Now I would like to cover one other point. This is the discrimination which is so evident here.

I am a conservationist. I am keenly aware of the importance of watersheds in the food-producing areas of the United States. Those of you who follow this problem closely know that the present program calls for completing the watersheds in these areas by the year 2000, but that is too late. This area in this bill comes under the same program for

watersheds that the entire United States does, but through this program you have created 10 additional watershed projects or structures for early completion. That is discrimination. You have Appalachia favored treatment on land that does not compare in any way with the Midwest lands which need watersheds much more urgently than this area does.

SECTION 203: MISDIRECTED, DISCRIMINATORY, UNWISE, UNTIMELY, AND CRUEL

Mr. Chairman, a number of minority members of the committee felt constrained to include supplemental views in the report on S. 602, voicing strong opposition to section 203 of the Appalachian Act of 1965, entitled "Land Stabilization, Conservation, and Erosion Control," and the provisions of section 108 of S. 602, as reported, to amend section 203, to authorize additional appropriations to carry out that section.

The majority and the minority opposed the enactment of a similar section in 1964, for fear that it would put additional pastureland into production. The minority opposed the enactment of section 203 of the act in 1965, feeling that assurances made to assuade fears of the section were inadequate. I feel that opposition to this particularly unfair and discriminatory section should not lapse and that opposition to any expansion of the program or any additional authorizations for appropriations to carry out the section is essential. I am joined in this view by a number of members of the committee.

There are a number of reasons for our opposition to this section.

First, the section is patently discriminatory to the rest of the Nation.

Second, section 203 funds for erosion control are being expended for the improvement of pastureland and cropland, and for fencing, hunting, fishing and sporting improvements, and recreation.

Third, this is a most unauspicious time to be spending money on pastureland improvement to support larger beef stocks.

Fourth, section 203 has the effect of subsidizing dying, marginal farmland.

And last, the administration unwisely seeks increased authorizations for appropriations for section 203 while at the same time failing to ask for appropriations even equal to the authorizations for the past fiscal years.

Let us look at these in more detail for a moment.

SECTION 203 IS PATENTLY DISCRIMINATORY

The fact that this section is patently discriminatory to the rest of the Nation is beyond question. Yet Appalachia is not a particularly productive agricultural area. To a great degree, if not for the most part, it is a land of upthrust mountain and of narrow valleys, a land of barren rock and scarred earth. Yet, under the provisions of section 203, this region is being given federally financed preferential treatment over the more productive agricultural areas of our Nation, areas which are in in many instances in dire need of preserving immeasurably valuable and fertile topsoil through enhanced conservation, erosion control, and land stabilization measures. The special treatment being afforded to Appalachian farmers is most unfair to other sections of the Nation which need additional assistance to save valuable topsoil that is an essential national resource.

The funds expended for the construction of about 10 watershed projects in the Appalachian region since the enactment of the 1965 Act, for instance, could have been much better expended in areas of tremendous agricultural production and topsoil value, such as the plains region of our great Midwest and the black belt of the Deep South.

SECTION 203 FUNDS BEING EXPENDED ON QUESTIONABLE ITEMS

It was disturbing to us to find that section 203 funds for erosion control are being expended for the improvement of pastureland and cropland, and for fencing, hunting, fishing and sporting improvements, and recreation. There is no provision in section 203 which prohibits the expenditure of funds under the section for the improvement of pastureland. In the words of the gentleman from Texas [Mr. WRIGHT], a member of the committee:

I ask you if you can find in that entire section (section 203) one word that relates to livestock or one word that relates to pasture land.

The gentleman from Texas [Mr. WRIGHT] was right in making that comment during the 1965 hearings on the legislation. Pastureland is not mentioned once in the text of the act. Democrats and Republicans alike fought in 1964 and again in 1965 to obtain assurance that section 203 would not be used for the improvement of pastureland, which would give beef producers in Appalachia a federally financed advantage over food producers in other areas. Yet with what were regarded as reasonable assurances from those in this body responsible for the enactment of the legislation, section 203 was enacted in 1965.

What were some of these reasonable assurances during the 1965 deliberations? Let me quote briefly from a few such assurances:

In hearings before the ad hoc subcommittee on March 3, 1965, the gentleman from Texas [Mr. WRIGHT] commented:

The first thing I think we must establish is that, contrary to the expressions made by the minority, this section 203 is not a livestock section in this bill this year. * * * [This] bill contains no such feature as that. * * * I ask you if you can find in that entire section one word that relates to livestock or one word that relates to pasture land. * * * So, unless you want to believe that the Senate, the committee, and the Secretary of Agriculture are all misleading us, and deliberately so, then this is not a livestock section.

During floor debate in the other body, the floor manager for the legislation, the senior Senator from West Virginia, now the chairman of the Senate Committee on Public Works, stated emphatically: "It is not a pasture program."

Mr. Chairman, here are assurances at greater length:

"Mr. WRIGHT. * * * The first thing I think we must establish is that, contrary to the expressions made by the minority, this section 203 is not a livestock section in this bill this year. It has been entirely and completely rewritten from the bill under committee consideration last year to which they have referred. It is quite true, as the gentleman explained, that last year I personally stated if that bill then presenting a program encouraging livestock production on 25 acres of land were to come to the floor in that form, I would offer a motion to strike out that particular section. I strongly felt that it would not be fair to encourage anybody to think he could have a viable livestock operation on 25 acres of land. Nor was it fair to others throughout the country who have been struggling all along to make a living in the livestock industry, where prices are falling, to put others into competition with them.

"*But this bill contains no such feature as that.* (Emphasis added.)

"I invite your attention to section 203 as completely rewritten in the Senate committee, and again on the floor of the Senate, and *I ask you if you can find in that entire section one word that relates to livestock or one word that relates to pasture land.* (Emphasis added.) This section is an attempt to control the erosion and siltation, the washing away of the remaining acres of top soil which would provide the economic possibility of help for these small farmers who have tried and are trying to live and earn their living there.

"A few days ago, I asked the Secretary of Agriculture if there was anything in the section which he could or would use or permit to be used to encourage widespread expansion of livestock operations. He personally assured me that there was not, and said emphatically that such would not be the intent or purpose of the Department of Agriculture. *So, unless you want to believe that the Senate, the committee, and the Secretary of Agriculture are all misleading us, and deliberately so, then this is not a livestock section.*" (Emphasis added.) This is from the remarks of Rep. James C. Wright, Jr., *Congressional Record*, March 3, 1965, daily edition, p. 3901.

"Mr. RANDOLPH. * * * To return to the substitute amendment for section 203, we retain the same funds which were authorized in Senate 3 as it was offered. However, in the Public Works Committee we have broadened the program, and it is oriented more specifically toward soil conservation, land improvement, and erosion and sediment controls.

"I emphasize the fact that the committee amendment provides no assistance for beef raising, and *it is not a pasture program.*" (Emphasis added.) This quote is from the remarks of Senator Jennings Randolph, Floor Manager for the legislation, *Congressional Record*, January 29, 1965, daily edition, p. 1539f.

"Section 203 embodies provisions aimed at conserving the land resources of the region. * * * Such practices as terracing, upstream tanks, flood-control ponds, and the planting of leguminous crops can be of great long-range benefit." This statement is from House Report No. 51, 89th Cong., 1st Sess., entitled "Appalachian Regional Development Act of 1965," p. 15.

"Mr. CRAMER. How do you consider this an improvement over that, since the most objectionable section—one of them I think the gentleman from Texas even suggested before the Rules Committee that he felt it should be deleted from the bill? How does this meet the objection raised by many members of this committee?

"Mr. SWEENEY. I would rather have Mr. Wright answer, if the gentleman would yield.

"Mr. WRIGHT. Yes; I would say that this new section inserted by the other body fully meets the objection that those of us had to the section originally contained in the bill, in that we felt that section issuing an invitation and encouragement to the expanded operation of cattle was putting people in the Appalachian region not only in competition

with a distressed industry in our country but on the other hand was putting them into an unprofitable and uneconomic business, which they would not find viable themselves.

"* * * So I think it is an entirely different philosophy we have in this section; and I think it completely meets the objections of those of us who found the other bill wholly unacceptable." This colloquy is from hearings before the Ad Hoc Subcommittee on Appalachia, House Committee on Public Works, February 3, 1965; printed as Committee Print No. 89–2, p. 53f.

Thus, with such assurances as these, section 203 was enacted without the opposition which had arisen to confront it the previous year.

Yet today, section 203 money is being expended by the administration to improve pastureland. I do not, at all, question the faith of those in Congress who gave us these assurances. They were acting on what they had been told by the administration spokesmen. It is the administration whose assurances I question here today. What I have just quoted reflects these assurances to this body.

The most recent figures on expenditures under section 203 indicate that over three-fourth of all funds expended have been either for improvement of existing pastureland and cropland or for the conversion of unused land into pastureland and cropland, with the remainder of the expenditures being made for the conversion of existing pastureland and cropland into forest land and for other questionable purposes.

"What kind of questionable purposes?" you ask. To our great surprise, we have also discovered that section 203 funds—intended for land stabilization, conservation, and erosion control—have been expended for such diverse items as pastureland fencing, hunting and fishing enhancement, sports facilities improvements, and recreation.

In our opinion, this is pure nonsense, and we stated so in the supplemental views on the bill before us.

UNAUSPICIOUS TIME FOR PASTURELAND IMPROVEMENT

As I indicated earlier, this is a most unauspicious time to be spending Federal money on pastureland improvement to support larger beef stocks.

During the past half decade, the production of beef in the United States and the importation of beef reached alltime highs, resulting in the decline of gross cash receipts for beef producers and a reduction in the average net price of beef for the producer. Although this problem is not as critical today as it was several years ago, it still remains a problem of great concern for our beef-producing and dairy areas.

Since the committee began the consideration of amendments to the 1965 act, I have had an opportunity to discuss section 203 of the 1965 act and amendments thereto embodied in this bill with many beef producers and dairy farmers in the Midwest. These men, who earn their living from the production of beef and dairy products, should not be penalized by unfair competition from federally assisted beef production in Appalachia. These men are still very much concerned over the unfair treatment they are receiving because of the provisions of section 203.

DYING, MARGINAL FARMLAND SUBSIDIZED BY SECTION 203

Section 203 has the effect of subsidizing dying, marginal farmland. As we pointed out in the supplemental views, providing Federal assistance to farms of a marginal character for the improvement of cropland and pastureland will have the effect of subsidizing these marginal units and thus prolonging the inevitable closing of uneconomic farm units and delaying the development of higher and better uses of such land.

We feel this section will perpetuate the status quo rather than doing away with rural poverty.

ADMINISTRATION CANNOT JUSTIFY REQUESTS

As I indicated earlier, the administration unwisely seeks increased authorizations for appropriations for section 203 while at the same time failing to ask for appropriations even equal to the authorizations for past fiscal years. The administration's own budgetary actions with respect to section 203 show better than anything else that the program is not needed in Appalachia. The 1965 act authorized the appropriation of $17 million to carry out section 203 for the last 3 months of fiscal year 1965 and for all of fiscal years 1966 and 1967.

Despite the administration's cries about the need for these funds in the Appalachian region, the administration requested only $12.88 million appropriations for section 203 for that 27-month period. This was some $4.12 million less than that authorized by the Congress, an authorization in the amount the administration requested. Of the $12.88 million requested by the administration, only $10 million was appropriated by an administration-dominated 89th Congress. The $10 million appropriated is slightly more than one-half of the authorizations for the section. To me, this does not indicate a great need for section 203 expenditures in Appalachia.

Despite the obvious lag in implementation of this section, the administration has asked for an increased authorization for appropriations for fiscal years 1968 and 1969, to carry out section 203, in the amount of an amazing $19 million. Yet the administration has requested an appropriation of only $3 million of this $19 million for fiscal year 1968, leaving an authorization balance of $16 million for fiscal year 1969. The request of a mere $3 million for fiscal year 1968 indicates to me that this program is not needed.

Mr. Chairman, I want to make this closing statement. At the proper time amendments will be presented which will vastly improve this bill. I have one which will strike title I, not with the view of halting the objectives of this program but with a view toward going back and taking a new look at the total need for all of the United States so that the methods of solving the problems in the Appalachia region can be applied nationwide, and with such a revised program we could eliminate waste and foolishness and duplication and thus have a program which we can truly say is a creative Federal program.

(Mr. SCHWENGEL asked and was given permission to revise and extend his remarks.)

Mr. HAYS. Mr. Speaker, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy-four Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 250]

Adair	Flynt	O'Hara, Mich.
Aspinall	Gallagher	Pirnie
Baring	Green, Oreg.	Resnick
Bell	Hansen, Idaho	Rivers
Brademas	Hansen, Wash.	Rumsfeld
Celler	Hawkins	St Germain
Clawson, Del	Hébert	Saylor
Cohelan	Holland	Sikes
Collier	Irwin	Ullman
Conyers	Kazen	Vander Jagt
Corman	McCarthy	Willis
Daddario	McCulloch	Wilson,
Diggs	McMillan	Charles H.
Dulski	May	Wolff
Edwards, Calif.	Miller, Calif.	Wyatt
Evins, Tenn.	Multer	
Feighan	Murphy, N.Y.	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRICE of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill S. 602, and finding itself without a quorum, he had directed the roll to be called, when 382 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. CRAMER. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. CONABLE].

(Mr. CONABLE asked and was given permission to revise and extend his remarks.)

Mr. CONABLE. Mr. Chairman, I am voting against this bill again this year despite the fact that it has been generally conceded to be one of the better run Great Society programs. I am sure there is considerable virtue in the program, and that it benefits some persons in a depressed part of the country. It is 80 percent a highway construction program, and as such, it takes some pressure off State highway construction and permits other highway funds to be allocated in greater proportion to other sections of the country not fortunate—or unfortunate—enough to be physically part of the Appalachian chain.

But this does not mean that the criteria of the program are sound. It still rests on discriminatory geographic factors rather than economic factors. No matter how much we vote to broaden the program geographically—efforts I will generally support—some deprived parts of the country still will not have the opportunity under this bill to prove their claims to Federal participation in public works designed to improve their economic climate.

I must confess this is another reason why I am not supporting this bill, Mr. Chairman. I am sitting in the daily deliberations of the Ways and Means Committee, having witnesses testify in behalf of the President's surtax proposal as an antidote for the poor fiscal condition of the country. We are told con-

stantly that the poor will suffer the most from the inevitable inflationary results of a Federal deficit in excess of $25 billion. And I am satisfied from soundings of my own that the tax surcharge cannot be passed at this point, largely because of a failure of support by those small liberal Democrats of whose vision of the larger role of the Federal Government this bill speaks. Mr. Chairman, something has to give, whether some in this Chamber are willing to admit it or not. I do not enjoy voting against this kind of program any more than anyone else, but the time is late and the condition serious. Since this is primarily a public works bill, with a discriminatory geographic base, we can cut one-half billion dollars here much more easily than in many other authorization bills that will be before us.

Mr. JONES of Alabama. Mr. Chairman, I yield such time as he may consume to the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Chairman, I rise in support of the Appalachian Regional Development Act Amendments of 1967. Of particular interest to me is the addition of 20 northeast Mississippi counties to the Appalachian program, of which three are located in my congressional district.

I have watched very closely the results of the Appalachian program as it has been applied in the several States involved since its enactment. I find this to be one of the best programs ever enacted by the Congress to assist the underdeveloped areas of our Nation.

The program was born out of the desire of the people in the area, working through their Governors with the Federal agencies in a true spirit of partnership. This partnership has demonstrated beyond our fondest dreams what can be done when local initiative and know-how, coupled with our Federal capability, are put to work on economic problems.

I am grateful to the members of the subcommittee and of the full Committee on Public Works for adding 20 counties in Mississippi to the area designated to participate in the benefits authorized in the bill. I had hoped 26 counties in Mississippi that have a real desire to become a part of this program could be included. The judgment of the committees was such that the area of my State added was limited to the 20 counties included.

It is not only desirable but inevitable that northeast Mississippi be incorporated in the Appalachian program. The economic structure of northeast Mississippi is, and has been, historically an integral and inseparable part of the southern Appalachian region. Geographically, these 20 counties are a part of and contiguous to the southern Appalachian range, sharing common problems and potentialities. It is my firm belief that the addition of these counties to the Appalachian program will be mutually beneficial to all concerned.

I would like to respectfully request that my colleagues join me in supporting this very important measure.

(Mr. MONTGOMERY asked and was given permission to revise and extend his remarks.)

Mr. JONES of Alabama. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Mississippi [Mr. ABERNETHY].

(Mr. ABERNETHY asked and was given permission to revise and extend his remarks.)

[Mr. ABERNETHY addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. JONES of Alabama. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from West Virginia [Mr. KEE], a member of the committee.

Mr. KEE. Mr. Chairman, as a member of the ad hoc committee and of the full committee which considered this legislation, I rise to enthusiastically support the bill now under consideration.

At this time I highly commend the distinguished gentleman from Alabama [Mr. JONES], the chairman of our ad hoc committee, for his thorough and objective presentation made on the floor of the House this afternoon.

Mr. Chairman, the Appalachian Regional Development Act was requested by the Governors of the States in the Appalachian region.

The Commission resulted following long and thorough discussions which actually started in 1960.

Mr. Chairman, these States in the Appalachia region did not and do not have the financial resources to do the job that must be done. I compliment these Governors because they did not sit down and cry and wring their hands. They did something about it. The individual States asked for this help. The Commission has been in operation now for 2 years. During this period of time it is amazing to see the close cooperation between the States and the Federal Government in starting so effectively to solve the problems of the region. My entire home State of West Virginia is in the heart of the Appalachia region. It should be noted that every decision made by the Commission—that is, the Federal coordinator and each of the Governors, has been by unanimous vote.

Mr. Chairman, this accomplishment has been unexcelled. Through this legislation the Appalachia region is moving ahead economically. With the passage of the legislative proposal before us today the Appalachia region will not only have a chance but it will make its full contribution to our national output and to our national wealth; it will continue to create and make its contribution to a stronger America.

The two most effective provisions of this act provide for assistance. These two items are: First, the construction over a period of 6 years of the Appalachia highway program. Specifically this is development highways and acccss roads so essential to our economic growth and development. Second, the vocational educational facilities to train those about to enter the labor force and to the upgrading of skills for those prcsently unemployed so that they can qualify for productive employment in private industry.

Mr. Chairman, in brief, the Federal funds that have been spent and which will be spent under this program will prove to be an investment in the futurc of our Nation. Mr. Chairman, therefore, because I have seen with my own eyes, coming from the heart of the Appalachia region, the justification for this investment to create a sound economic base, I respectfully urge my colleagues to support this legislation without amendment.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. KEE. I will be delighted to yield to the gentleman from Arizona.

Mr. UDALL. I want to commend my friend for the statement he has made and commend the sponsors of this legislation. I also wish to express my support for this legislation, especially the provisions of title II which are important to the four States in the four corners region, that is, Arizona, Utah, Colorado, and New Mexico.

(Mr. UDALL asked and was given permission to revise and extend his remarks.)

Mr. UDALL. Mr. Chairman, S. 602, revising and extending the Appalachian Regional Development Act of 1965 and amending title V of the Public Works and Economic Development Act of 1965, will be of particular value to the four corners region of Colorado, New Mexico, Utah, and Arizona.

This region, the most recent to be designated as such under title V of the latter act, now has a distinguished Federal cochairman, the Honorable Orren Beaty, Jr. Mr. Beaty was nominated by the President, confirmed by the Senate, and on August 17, 1967, took his oath of office. Together with the Governors of the four participating States he has moved rapidly to inaugurate regional economic development planning in our region. Next Tuesday, September 19, the organizational meeting of the Four Corners Regional Commission is to take place, at the point where the four States come together.

The 92 counties of the four States in the four corners region will benefit promptly from the passage of S. 602 as recommended by the committee. While a thoroughgoing comprehensive, regionwide development plan is worked out, substantial progress can be shown by the supplemental funds that will be made available by this proposed act. Our experience with, and reports on, the Appalachian program graphically demonstrate the value of supplemental assistance for Federal grant-in-aid programs. Authorization of $5 million, per region, for fiscal year 1968, and $10 million, per region, for fiscal year 1969 will be of substantial help to the regional commissions. The Federal cochairmen have already begun work on the best possible application of the supplemental funds sought to be made available. The regional Commissions, composed of the Governors and the Federal cochairmen, must approve each program or project in accordance with establishcd criteria. All will be based on a long-range comprehensivc economic plan. This amendment will permit an increase in the Federal share up to 80 percent in any covered program. All applications for such supplements must come through the State members of the Commission.

I strongly urge the adoption of the bill.

Mr. ALBERT. Mr. Chairman, will the gentleman yield to me?

Mr. KEE. I am delighted to yield to the majority leader.

Mr. ALBERT. Mr. Chairman, I take this time to compliment the distinguished gentleman on his statement and to associate myself with his position. I also wish to say that he has been one of those who have really fought for this program and he has been a bulwark of strength in his support of it.

Mr. Chairman, I also at this time wish to pay my respects to this fine committee and the excellent work of our distinguished colleague, the gentleman from Alabama [Mr. JONES], who for years has been one of the builders of America as a member of the Committee on Public Works and as a Member of the House.

Mr. KEE. I thank the gentleman for that statement.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. KEE. I am delighted to yield to the distinguished gentleman from Pennsylvania [Mr. FLOOD].

(Mr. FLOOD asked and was given permission to revise and extend his remarks.)

Mr. FLOOD. Mr. Chairman, I support the pending bill which revises and extends the Appalachian Regional Development Act of 1965.

For the impact which it has had in my own district and on the State of Pennsylvania, I must say that the Appalachian regional development program is one of the best programs enacted as long as I have been a Member of Congress.

The Appalachian region convers a lot of territory from New York to Alabama and contains a lot of problems which have to be corrected if the region is to share fully in the national economic prosperity. Northeastern Pennsylvania is quite different from eastern Kentucky just as northern Alabama is quite different from western North Carolina. Yet all of these Appalachian States have something in common. They all share a particular problem or set of problems which have retarded their economic growth throughout the century.

The genius of the Appalachian program is that it is designed to permit solutions for different problems peculiar to the several areas of the region.

The anthracite region of Pennsylvania, has for almost a century suffered heavy consequences from the mining of the world's largest deposits of anthracite coal. The Appalachian program has in its short lifetime brought new hope to the people of northeastern Pennsylvania by dealing with one of the area's most serious problems today—the debris left from a hundred years of intensive mining.

Let me illustrate how this works under the Appalachian program as applied to my part of Appalachia and to the part of Appalachia represented by Mr. PERKINS and Mr. CARTER in eastern Kentucky. Northeastern Pennsylvania is not receiving highways under the Appalachian highway development system because when this regionwide system was planned in 1965, northeastern Pennsylvania was very adequately served by the Interstate System. Five Interstate highways criss-cross the Wilkes-Barre-Scranton area, providing excellent access to New York, Philadelphia, New England, Canada, and the Midwest.

Eastern Kentucky—and West Virginia I might add—showed a very great need for new modern highways to serve areas which are bypassed by the Interstate Highway System and it is in Kentucky and West Virginia where almost 900 miles of Appalachian highways will be built—where the need is greatest. This, I believe, is as it should be.

On the other hand, anthracite Pennsylvania has a very serious problem which is highly unique. Hundreds of square miles of land are threatened by subsidence as a result of underground mining activities. Mine fires—both above and below the ground—pose a constant threat to human lives, property and industry. These fires—some of which have burned for over 50 years—pollute the air with their foul, obnoxious gases and endanger the health and safety of people in the area.

The Appalachian program has provided the means to attack these situations on a far larger scale than ever before.

Mr. Chairman, it is unthinkable that this House would cut back the splendid efforts and progress that have been made over the past 2 years in restoring the ravaged coal mining areas of the Appalachian region.

The $30 million authorized in this bill for mining restoration is the minimum amount of money necessary to carry the reclamation efforts generated by the Appalachian Regional Development Act of 1965.

Let me point out that the funds already appropriated under the Appalachian Act for putting mine fires and filling mine voids are bringing new life at this very moment to communities in Pennsylvania and other parts of Appalachia.

The Appalachian States have also made special efforts, to match the special efforts that the Federal Government has made under the Appalachian program to restore the abuses of past mining operations. We cannot and we must not disappoint them nor can we turn our backs on the people in the communities whose very futures depend on ending the threat of mine fires and mine subsidence.

Three years ago—in the summer of 1964—I testified before the Public Works Committee on the need for the Appalachian program and what benefits it could bring to Pennsylvania's anthracite areas. At that time, I specifically cited the desperate mine-fire situation that existed in Laurel Run Borough, adjacent to my town of Wilkes-Barre. I told the committee that Laurel Run mine fire had been burning for 45 years and the Federal and State officials were trying to decide what to do about it. This was a fire that if allowed to burn unchecked could have spread through the entire city of Wilkes-Barre, causing a disaster of unprecedented proportions.

Since 1964, we have made progress on the Laurel Run fire which covers the entire side of a mountain. This progress was made possible by the Appalachian program which has contributed $3 million toward extinguishing the fire. The $3 million has been matched by $1 million in State funds—for a total of $4 million which will thwart the fire, thus literally saving Wilkes-Barre from immolation.

Four million dollars is a lot of money, but it is not too much for the protection of human lives, nor for the protection of property worth many times that amount.

The $24,850,000 which has been appropriated for mining restoration projects under the Appalachian program has been used wisely. It is of peculiar significance to anthracite Pennsylvania. The $30 million authorization, in the bill under discussion today, is essential to the economic future of Wilkes-Barre and Scranton and many other communities in Pennsylvania's anthracite region.

The $30 million authorization for mining reclamation projects is the absolute minimum of Federal money needed to continue this work during the next 2 years. Let no one be fooled into believing that the Federal Government is taking all the responsibility in bearing all the costs for these programs.

The State of Pennsylvania has already made substantial investments toward putting out mine fires and preventing surface subsidence. The State will be making even larger investments in the future. This year Pennsylvania voters approved a $500 million bond issue to accelerate the State's conservation efforts over the next 10 years. Fifty million dollars of that sum has been earmarked by the State for extinguishment of underground mine fires and burning culm banks. These State funds will be used with the money authorized by the Appalachian Act to put an end to the long-standing problems that have plagued our coal areas.

There can be no doubt that Pennsylvania seriously intends to do all it can in combating mine fires and mine subsidence. The Pennsylvania Legislature is currently considering a bill which would give the Pennsylvania Department of Mines and Mineral Industries the right, without liability, to enter upon private lands to combat mine fires, refuse bank fires and subsidence resulting from mining.

Extension of the Appalachian Regional Development Act will continue the valuable work of the Appalachian program in its broad-based and long-range attack upon the problems of Appalachia. This program has started the actions which are necessary to cure the problems of deteriorating communities, the rehabilitation of mining areas, the serious education problems which have held the region back, and the inadequate access that has long plagued Appalachia.

Mr. JONES of Alabama. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Florida [Mr. PEPPER].

(Mr. PEPPER asked and was given permission to revise and extend his remarks.)

Mr. PEPPER. Mr. Chairman, I, too, wish to associate myself with those who have spoken in laudatory commendation of the able gentleman from West Vir-

ginia [Mr. KEE] and for the policy and political wisdom which he has followed and which was established by the gentleman's distinguished father in bringing into fruition this dream and the impact which it may have upon the people throughout this land.

Mr. Chairman, I commend the gentleman from West Virginia for his remarks on this legislation, and I hope that this program will go forward and that it will even more prove to be a program which will realize the aspirations which the gentleman from West Virginia has so long maintained.

Mr. JONES of Alabama. Mr. Chairman, I yield such time as he may consume to the gentleman from Mississippi [Mr. WHITTEN].

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, the bill before us having to do with Appalachia has included in its extension 20 counties in Mississippi. These counties are a continuation not only of the terrain and topography of the Appalachia region but to a very great degree have all of the problems that the original counties have.

I have had the privilege of representing a number of these counties through the years since I first came to the Congress and others since the first of January. Mr. Chairman, you will recall that when the original Appalachia program was proposed north Mississippi counties were included in the study and in the counties designated as qualified, or so it was generally accepted. At that time, however, this being a new program, the State of Mississippi did not take action to be included and that is the reason these counties have not been in the program all the time.

Mr. Chairman, I earlier introduced a bill which went before this Committee on Public Works, which would include the counties to the foothill area adjoining of the delta. The committee felt it could not include those counties but did include eight counties within my present district.

May I say to you and to the membership of the Committee that this area is badly in need of additional highways and access roads, which if this bill is passed I understand could be studied and plans provided within the present calendar year. There also is an urgent need for additional vocational education programs to qualify many of the people who have been displaced from the farms, through mechanization, for other work.

Mr. Chairman, it has been said that all things look differently to those who are in different positions. As the membership knows, I have served for some years as chairman of the Appropriations Subcommittee for Agriculture, where we have tried to deal with the problems of geographic areas on a fair basis, even though the same funds do not go to other regions which have different problems. In other words, we have tried to be fair and objective. Also, as you know, I serve on the Committee on Appropriations for Public Works. This year, with few exceptions, just about every member of Congress was before that committee requesting Federal assistance with which to meet problems in their area. The committee made every effort to be fair to all members and all regions, and I make no apologies for the funds we provided in our appropriations bill, for I long since made a distinction between the funds for all the protection and development of our own country and those that go to questionable programs. I trust the membership will support the inclusion of these new counties in the bill before us, for as I pointed out to the committee for generations we have provided Federal funds for New York Harbor, for the harbor at San Francisco, and Tampa, Fla. Billions of dollars have been spent on navigation of certain of our rivers and on flood control in many, many areas. Now I ask, if it so happens that a region such as the Appalachia region does not happen to have a harbor and does have all these other problems, would it not be sound to have a program which meets the problems of such area?

Thus, again, I hope we can have the support of the membership in retaining these 20 counties of Mississippi in the program. They do not have a harbor and only one county touches a navigable stream for only a few miles. They do, however, have low income, need for roads, need for vocational education, and many other things. I think we all should be convinced that the development of one segment of our country has always proven to be of great benefit to all of our country. It is on this basis that I have worked as chairman of the Appropriations Subcommittee for Agriculture and as a member of the Appropriations Subcommittee for Public Works. I trust that those who come before these committees will look at this matter objectively and realize that while the geography is different and the problems are in a different area, it is worthy of Federal assistance just as much as the harbors and navigable streams are to other sections.

Mr. Chairman, I would like to read here the statement made by Mr. Thompson Pound, executive secretary, Tombigbee River Valley Water Management District, who appeared both for himself and Governor Johnson before the committee, as well as a letter from Governor Johnson:

STATEMENT OF THOMPSON POUND, EXECUTIVE SECRETARY, TOMBIGBEE RIVER VALLEY WATER MANAGEMENT DISTRICT, STATE OF MISSISSIPPI

Mr. POUND. Thank you, Chairman Jones, and members of the committee. I am happy for the privilege of appearing before your committees on behalf of Governor Johnson, who sends his regrets in not being able to meet with you today. He is very interested in Mississippi becoming a part of the Appalachian program and has asked me to represent Mississippi in your hearing. I have with me Governor Johnson's statement and a report that I would like to present for your consideration.

The laws of the Appalachian Regional Act of 1965 have been studied by us and we are in accord with the legislative intent of the act. In making a study of the social and economic problems of the 373 counties that are a part of the Appalachian program, we find that the 26 counties in the hill section of northeastern Mississippi share the economic and social characteristics of the southern portion of the region, and are in the Appalachian terrain, or are contiguous to the Appalachian region. There already exist multiple-county activities among the hill counties in northern Mississippi. It is felt that the inclusion of this portion of the State of Mississippi will further the purpose of the Appalachian Act, as outlined in section 2.

The operations and functions of the Appalachian Regional Commission have been observed by us and we think this is an effective and efficient organization—one which we like and can work with.

We have prepared a file of information which backs up our decisions, and beliefs. I would like to leave it with you for your considerations.

STATE OF MISSISSIPPI,
EXECUTIVE DEPARTMENT,
Jackson, May 5, 1967.

HON. GEORGE FALLON,
Chairman, Public Works Committee,
House of Representatives, Washington, D.C.

MY DEAR CONGRESSMAN: I very much appreciate the opportunity to present information relative to the possible inclusion of an area of Northeastern Mississippi in the Appalachian Regional Development Program. We in Mississippi are greatly pleased that the United States Senate has seen fit to include in the Appalachian Regional Development Act, S. 602, an amendment providing for participation by 18 Mississippi counties in the Appalachian Regional Program. It is to your interest and decision on this question that my comments and the attached materials are directed.

I should like, repectfully, to submit to your committee a report to me relative to Mississippi's participation in the Appalachian program which was prepared by Mr. Thompson Pound, Executive Secretary, of the Tombigbee River Valley Water Management District, Tupelo, Mississippi, and was submitted to me originally on July 1, 1966.

I want to stress to the committee that we in Mississippi were originally attracted to the Appalachian program on its merits and that we intend to pursue our participation in the program on that basis over and above the fact that Northeastern Mississippi is clearly related by the nature of geography and economics to the contiguous southern portion of the Appalachian region.

The past history of developmental activity by the people of Northeastern Mississippi bears out a further relationship to the philosophy and working approach of the Appalachian program. The community and area development activities in and around Tupelo, Mississippi, has been a subject of international interest for a number of years. Repeated study and visitation by interested persons from many places have given what is called "The Tupelo Plan" a highly regarded reputation among students of economic and social development. Similarly, the comprehensive approach to area development in which the interest and involvement of local people is directly tied in with a broad approach to resource development follows the same philosophy and has attracted wide respect in the development field. Within our state government in Mississippi, we are carefully but aggressively pursuing the comprehensive area approach for all parts of our State. Through our state agencies and our Research and Development Center, as well as our universities and development organizations throughout the State, we are relating our public activities to those goals which are carefully designed to bring about increased citizen action as well as technical support for the creation of job opportunities, higher income and improved living conditions in our communities. The people in Mississippi are becoming increasingly involved in programs of this type and are increasingly successful in the contributions they are making to help themselves toward development objectives.

For these reasons, I am not surprised but I am greatly pleased that the interest in joining the Appalachian program came directly from the people through their area development leadership in Northeastern Mississippi.

I am positive that when I carry the request of these people that they be given the opportunity to participate in the Appalachian program, I can assure you that their participation will add to the effectiveness of the program and will live up to the high standards of accomplishments which this program has thus far established.

Along this line, I particularly want to make it clear that I regard the Appalachian Regional Program as the finest example of government in action today on a basis which can effectively deal with the kinds of problems confronting our people in these complex and difficult times.

I believe that this program can deliver the promise of the affluent society to all of our people in a constructive, sound and progressive fashion.

Our interest in the Appalachian program was not developed shortly nor is it based on the expectation of short-range returns. I have discussed our interest in this program since the very inception of the Appalachian Regional Development Act with the other governors of the region, with the officials and staff of the Appalachian Commission and with our Mississippi people. We have constantly received encouragement from all of these persons to the end that our case was sound for inclusion in the program in that our reputation for progressive area development made our request for inclusion in the program welcome. We would not have pursued this interest without the encouragement of the people who have worked so hard and so successfully to make this new approach sound and effective.

The enclosed report, I believe, constitutes evidence of our sincere interest in this program, outlines the benefits that can be derived from participation and describes the type of cooperation that can be expected from Mississippi in the event the Regional Appalachian Development Act is amended to include my State. The report relates to the possible inclusion of 26 counties. The interest in Mississippi extends to those counties rather than to just the 18 counties provided for in the amendment to S.602 passed by the Senate. However, we in Mississippi will certainly respect the judgment of the Congress in your final determination.

The first three years of my administration have been blessed with notable success in implementing an agricultural, industrial and commercial economic developing program, which has contributed much to the steady progress and sound growth of this State.

I can think of no better way of closing my administration than by insuring this State's participation in what I believe is the most significant regional development program initiated during the 20th Century.

Your assistance in securing this end would, indeed, be sincerely appreciated by me and by the people of the State of Mississippi.

Sincerely yours,

PAUL B. JOHNSON, *Governor.*

Mr. CRAMER. Mr. Chairman, I yield 10 minutes to the gentleman from New Hampshire [Mr. CLEVELAND].

(Mr. CLEVELAND asked and was given permission to revise and extend his remarks.)

Mr. CLEVELAND. Mr. Chairman, before beginning my remarks, which will chiefly be devoted to an amendment that I shall offer at the appropriate time, I would like to continue for a bit upon the colloquy which we had earlier in connection with the minority staffing problem and, actually, the entire staffing problem.

Now, Mr. Chairman, during the colloquy with reference to the staffing problem, there was some reference to the fact that the minority had eight people on the Public Works Committee staff. We are grateful for this. However, the fact should be remembered—and I want the RECORD to show it—that during the past year the Public Works Committee has concerned itself also with the problems of highway safety, large dams, as well as the problem commonly referred to as the "billboard" problem and the problem of highway beautification, the cutback in the highway program which concerned so many of us last winter, disaster relief, as well as the very important problem of water pollution and the problem of toll roads as well as other items.

Mr. Chairman, the pending legislation upon which we are called to act involves previous appropriations as well as future authorizations of $1,400 million.

So, I do not believe when we are discussing the problem of staffing that we should get into a numbers game as to how many staff members we have. The question for the consideration of this body is whether or not we have an adequate staff with which to perform our constitutional duties.

Mr. Chairman, the point, I believe, that the gentleman from Iowa [Mr. SCHWENGEL] was making, as well as the point which was so well made by the gentleman from Florida [Mr. CRAMER], and the point which I am undertaking to make is simply this: That we are not adequately staffed to effectively and properly acquit our responsibilities as Members of Congress, a responsibility which extends across a broad spectrum of programs.

I believe the RECORD should make that indubitably clear. It is not just a matter of how many we have, and if we have more than the minority of yesteryear used to have. The question is whether we have enough to do the job properly.

I might say in that connection it is regrettable—and I welcome the opportunity while I am speaking about general matters of congressional reform to call the attention of the Members to the fact that the Legislative Reorganization Act of 1967 is still tied up in the Committee on Rules. It has been there for more than 5 months, with only 1 day of hearings on it. It passed the Senate, as all of us know, after 3 weeks of debate last March by an overwhelming vote.

Now, about my amendment: The gentleman from Oklahoma [Mr. EDMONDSON] has criticized me in advance for offering my amendment which, briefly, will include the crowning glory of the Appalachian Mountains in the Appalachian region. He has criticized me for bringing it in now and in not submitting it to the committee. I will address myself to that point right now.

The reason this amendment was not brought in earlier was that the minority on the Committee on Public Works first considered the possibility of introducing a constructive alternative not only to the Appalachian Act, but the Economic Development Act. Our alternative would apply not only to one region of this country, but it would be a national program; it would apply to all 50 States equally, just as our highway programs do, and most of our other programs do.

We had under consideration a constructive alternative that would take the best of Appalachia and the best of the Economic Development Act and apply this on a broad national scale, which is the way we should legislate, because this is a national legislative body.

It soon turned out because of the limitation of time and staff that this approach was impossible. As a result of that I have now turned to my amendment which will bring in parts of New York State, the Adirondack Range, the hills of northwestern Connecticut, the Berkshire Mountains of Massachusetts, the Green Mountains of Vermont, the White Mountains of New Hampshire, and the Mount Katahdin range in Maine.

Anybody who knows anything about mountains knows these mountain chains are a legitimate part of the Appalachian Mountains.

Mr. FARBSTEIN. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. Will the gentleman yield?

Mr. CLEVELAND. I cannot yield just now, because I understand we are running short of time on our side, but I will yield as soon as I have concluded.

The World Book Encyclopedia defines the Appalachian Mountains as the chief mountain system of eastern North America and the oldest mountains in the United States:

They stretch southwestward for about 1,500 miles from the Gaspe' Peninsula in Quebec—

Be of good cheer, I am not tying Quebec into the amendment—

to central Alabama. The mountains are part of the Appalachian region which extends into Newfoundland—

And I do not have that in the amendment either—

The chief ranges of the northern Appalachians are * * * the Green Mountains in Vermont, the White Mountains in New Hampshire, and the Adirondack Mountains in New York.

I have to my left here a map of the United States, a topographical map. Anybody who looks at this map has to admit that the Adirondacks, the Berkshires, the White Mountains, and the Green Mountains should definitely be included in Appalachia.

Mr. JONES mentioned during his testimony that the chief characteristics of the Appalachian area were coal mining, lumbering, and farming. It is perfectly true that in Northeastern United States there is not much coal mining, but the fact of the matter is that it was lumber and farming that were the chief sustaining economic forces of the northeastern part of the Appalachian Mountains.

And as Congressman MCEWEN and I sat through the Appalachian hearings, and as they described the situation in the Appalachian Mountains of Pennsylvania, West Virginia, North Carolina, western Virginia, and so forth, and the other parts of that chain that were described, it was exactly what had happened in the northern New England region. There, too, we have had a problem

with the small, declining farms. There, too, we have had troubles with forests that have been cut and not fully replaced. There, too, we have had the problem of outmigration to the cities, leaving a declining number of people to support the tax base and to make it attractive for new industries to move in.

Mr. Chairman, the amendment I propose is one that I hope the committee will accept. I think in all fairness that the committee should accept it. All of the logic and supporting evidence that supports the Appalachian regional act applies equally to the northernmost part of this chain of mountains. It is difficult for me to conceive of having this legislation enacted without including in it a legitimate part of the mountain chain and area for which it is named. This is so particularly in view of the fact that the need for the act and the described conditions in the area are almost identical with the northern part of New York State and northern New England.

These problems that they encounter, their economic problems, are almost identical with the problems that are faced by other parts of Appalachia.

Now I want to point out in conclusion one more reason that makes the case for my amendment almost irrefutable.

Consider this map that is here before you—consider please that they are adding many counties in Mississippi. I am not necessarily opposed to adding these counties in Mississippi, but consider the topographical map—these counties in this area are not as much a part of the Appalachian chain as the counties I am asking to include in northern New York and New England.

I ask all of you to study this map before you pass judgment on my amendment which will be offered at the appropriate time.

Mr. FARBSTEIN. Mr. Chairman, will the gentleman yield?

Mr. CLEVELAND. I yield to the gentleman from New York.

Mr. FARBSTEIN. Your amendment will cover the broad spectrum of such areas and people throughout the Nation—that is your intention; is it not?

Mr. CLEVELAND. My intention is to add the Adirondack Mountain Range, the Berkshires, the Green Mountains, the White Mountains, and the Mount Katahdin area.

Mr. FARBSTEIN. Do you not think that when you are adding the counties in Mississippi and northern New York, you should also include in your amendment the riot-torn pockets of poverty in the cities?

Mr. CLEVELAND. As a matter of fact, I welcome the gentleman's question because what the Republican minority was attempting to do, as I described it earlier, was to devise legislation which would take the best of the Economic Development Act and the best of the Appalachian Act and then enact legislation which would apply nationally, through the States. If that were done, some of the drive and some of the focus of this type of legislation might well apply to the cities.

Let me add this—for the gentleman's benefit—at least some of us on the Committee on Public Works, as we have listened to the testimony before us have come to the conclusion that the problem of the city is back to back with the problem of rural decline.

The CHAIRMAN. The time of the gentleman from New Hampshire has expired.

Mr. CLEVELAND. May I ask for a couple of minutes of additional time?

Mr. CRAMER. As the gentleman knows, the time has been allotted. Perhaps the gentleman on the other side of the aisle can yield some time to the gentleman.

Mr. BLATNIK. Mr. Chairman, I yield 2 minutes to the gentleman from New Hampshire [Mr. CLEVELAND].

Mr. CLEVELAND. Mr. Chairman, as I was saying, some of the members on the Committee on Public Works have been very impressed with the fact that the problem of the cities is back to back with the problem of rural decline. This is so because as rural areas decline, it often forces people to go to the cities and as they go to the cities they create problems there, which apparently some of the cities are not equipped to handle.

Some of us on the Committee on Public Works feel and I think this is true of some of the Members on both sides of the aisle, that one of the keys—but not the only solution—but one of the keys to this problem will be to reverse this outmigration from the country into the city, and to help to alleviate some of the problems of the cities.

Mr. FARBSTEIN. Does not the gentleman think that at this time when you are assisting the rural areas and the mountain areas throughout the country, you also might think of the depressed areas and about the people who because of their lack of jobs and opportunities and means to make a living find it necessary to riot in order to call attention to their deplorable condition? Do you not think at this time that we should also seek to aid those areas in the cities where there are explosions and where there will continue to be explosions throughout the next year or 2 years, and who knows for how long?

It would seem to me that this would be an appropriate time for me to suggest that you include your amendment, and I would be satisfied to allow you to handle the amendment which I will submit at the proper time in order to aid those pockets of poverty in the riot-torn cities throughout our Nation.

Mr. CLEVELAND. I thank the gentlemen. I yield back the balance of my time.

Mr. BLATNIK. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. LANDRUM].

Mr. LANDRUM. Mr. Chairman, I support the pending bill to extend the Appalachian program. I know this program is working in Georgia and I know it is working overall, because its approach is sound. Any program which lets the States pace the Federal Government, I feel, is bound to work.

Georgia knows its problems and I think knows best how to solve them, and that is the heart of this program. The Federal Government is not telling us what to do and how to do it. It is asking us, and that is a very big difference.

I know the program is working in my district because I can see the promise as well as the fulfillment in soil conservation, school and college improvements, airport, hospital, health care, libraries, and nursing homes. I know that tying the district to the rest of the State and to other parts of Appalachia with highways and access roads is good because it is a need fulfilled.

I know what this means to our people because ultimately it is they, through their Governor, who have asked for them. So I know that Appalachian funds, together with the other Federal money the Appalachian program has attracted, is well spent, and I urge approval of the legislation.

These programs have received support from members of this Committee whose districts are not affected, for they know that the development of regional resources and the solution of regional problems is good for the country as a whole. All of these programs receive support well beyond the areas where their benefits are felt, because all of them are judged by their contribution to the Nation as a whole.

More purchasing power in Appalachia means greater demand for goods and services produced in other parts of the country. A stronger Appalachian economy means a stronger national economy. Thus the Appalachian program serves the needs of the Nation. The Nation has decided it will no longer tolerate the continued existence of poverty, unemployment, and underdevelopment which exists in this region.

A great deal has been said and written recently about the plight of the cities. I believe that all concerned recognize that the problems of the cities stem in large part from the influx of untrained, unskilled people from the rural areas of this Nation. Much of this migration has come from the Appalachian region, which has lost 2 million people to cities of the North and the Northeast in the two decades between 1940 and 1960. This outmigration will continue with the high toll both to the region and to the urban areas of the country unless something is done to provide opportunities closer to home. This fact is beyond contest.

Mr. Chairman, the statement that the Appalachian program constitutes preferential treatment or is discriminatory against other areas of the country is grossly misleading. Practically every bill that comes before this House is preferential in one way or another. The Appalachian Act was passed because Appalachia was viewed as a national problem. It was thought to be wiser to invest money to make this region self-sustaining rather than to continue to pour funds into a welfare program.

This decision was made out of concern for the people of the Appalachian region, but it was also made as a wise public policy for the Nation as a whole. It is true that the immediate benefits from this legislation flow only to a designated area. The highways, the schools, the hospitals are to be built within the Ap-

palachian region. Their effect will eventually be enjoyed by the country as a whole, by making this region self-sustaining and able to carry its load in paying taxes to the Federal Treasury.

What is discriminatory, please, about linking up the great southeastern metropolis of Atlanta, Ga., with that fine beautiful and growing city in western North Carolina, Asheville, and providing an opportunity for the citizens of these two great cities to have an exchange of their products in commerce that does not exist today and increase their capacity to make a contribution to the national economy?

How many bills does this House see which are not designed to benefit some special area or some special group?

Certainly the price support programs for wheat, for cotton, for rice, and for other commodities are limited in application to relatively small areas of the country. The Great Plains Conservation Program is regional in character. TVA and Bonneville and the great reclamation projects of the West are no less regional than the Appalachian program.

Thus, the bill before us is not parochial or regional legislation. It is legislation to serve the national interest, and in a very real sense it is as important to the metropolitan areas of this country as it is to the Appalachian region. Why do we want to deny ourselves the resources with which to prevent these cancers that are developing the cities? Why do we want to continue to leave these people in the rural areas of Appalachia without the skills, without the basic understanding and responsibility of citizenship? Why do we want to leave them to migrate and go out of that country, because they have nothing to do, and allow them to load upon the cities in the stacked up slums and ghettos, where they will add to the very problems that have brought about the tragedies that we all so deplore, that have happened this summer.

I can tell the Members that in the Appalachia region of the district I am privileged to represent, on the 14th of August we opened a newly constructed area vocational technical school with a capacity to train 400 people. I was astonished on the first day, in the first week of its operation, that more than 300 were clamoring for admission, to learn how to meet the demands in the fields of automobile repair, of drafting and of designing, of air conditioning and of electronics, of cosmetology and of business training and of welding, all of those things that go to provide the skills that people in this day and time demand, and that the labor market says we must have if our young men and women are going to get the employment that is necessary to make them contributing taxpayers and remove the causes that have made so many of them unfortunately tax eaters.

Talk to me about boondoggling. Talk to me about discrimination. Is it boondoggling or is it discrimination for us to marshal the resources of this great Nation and make them available to the young men and women so they can come into manhood and womanhood and discharge the responsibilities that are going to fall upon them much more heavily than they are falling upon us today?

I never think of this program of Appalachia and what its potential is in setting out examples for the rest of the Nation, that I am not reminded of the inscription etched in the stone above the Speaker's dais here.

That was said in this Chamber by Daniel Webster:

> Let us develope the resources of our land, cal forth its power, build up its institutions, promote all its great interests and see whether we also in our day and generation may not perform something worthy to be remembered.

We are doing something here to conserve and develop human resources. We are not enriching the coffers of any region or any special group. We are enlarging the opportunity for cultural and educational development of the Nation, which the last one-third of the 20th century demands.

I call upon members of the Committee to give us the power which is in this act, to prescribe the preventive medicine which is in this act, and let us treat these problems in such a way as they may not continue to grow and plague us.

Mr. CRAMER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. McEwen].

(Mr. McEWEN asked and was given permission to revise and extend his remarks.)

Mr. McEWEN. Mr. Chairman, at the proper time, when the amendment is offered by my colleague, the gentleman from New Hampshire, I shall join in supporting that amendment to bring into the Appalachian region northern Appalachia.

I have listened to what many of my colleagues have said here today about the benefits of this program and what it means to the Appalachian region.

Tomorrow, if that be the time when the gentleman from New Hampshire offers his amendment to bring in the Appalachian areas of New York, Massachusetts, Vermont, New Hampshire, and Maine, I shall be supporting a concept which I advocated in this House when the original Appalachian Regional Act was before us 2 years ago.

Mr. Chairman, if we are to treat with the problems of Appalachia, I fail to see why we should not in this act embrace all of Appalachia. I am referring to that part of the Appalachian chain which lies in New York and the New England States. The problems of the lack of job opportunities and outmigration which have been indigenous to southern Appalachia have prevailed there also.

I hope, at the proper time, when the amendment is offered, those who support this concept will support the amendment and bring the Appalachian Regional Commission to the entire Appalachian area.

Mr. CRAMER. Mr. Chairman, I yield 3 minutes to the gentleman from Arkansas [Mr. Hammerschmidt].

(Mr. HAMMERSCHMIDT asked and was given permission to revise and extend his remarks.)

Mr. HAMMERSCHMIDT. Mr. Chairman, I would like to pay my tribute to the chairman of the Public Works Committee, the gentleman from Maryland [Mr. Fallon], the chairman of the ad hoc subcommittee, the gentleman from Alabama [Mr. Jones], and also my gratitude to our respective ranking members of the minority, the gentleman from Florida [Mr. Cramer] and the gentleman from Iowa [Mr. Schwengel].

Their help in guiding me to an understanding of legislation and duties before our committee has meant much. Having this deepest respect for their knowledge and background, I feel, perhaps, a little frustrated in finding myself on the opposite side.

Mr. Chairman, I stand generally in favor of the bill we consider today. By and large, this is a good measure. It returns decisions of Federal spending and programs back to the community and State.

I am especially heartened by the title II provisions which will enable the continuation of administrative bodies and planning actions related to five separate economic regions of the country, judged in need of help—namely those areas served by commissions in the Ozarks, the Great Lakes, New England, coastal plains, and the four corners regions. It is quite important that these programs be sustained, even in times of budgetary problems. To eliminate or retard the development of these regions in their capacity to plan to act—in the name of economy—would, indeed, be serving false economy. The ends of false economy are, I am sure, those we would use all means to avoid.

All in all, the measure seeks to sustain and further implement the program know as Appalachian regional development. At this time I am generally opposed to enlargement of this section. The measure also seeks to sustain and further implement, to a smaller extent, the regional commissions which have been established to seek solutions to long-time economic ills in five other geographic areas.

These problems are such that they have no chance of being solved by inaction. We must act. And, we must act largely as provided in this bill.

I regret that in committee we did not maintain the boundaries of Appalachia as prescribed in the original legislation. As you know, the concept of regional development is based on common socio-economic conditions needing particular treatment so as to improve per capita income. I believe we will do serious damage to this concept if we expand this area without regard to the established criteria.

Mr. Chairman, it is probably too early to make a real judgment of the effect of many projects and programs implemented in the Appalachia region. My observation is that if it has a weakness its greatest weakness is that it may lack overall economic planning and coordination and may be instead treating only symptoms and not causes of low incomes.

We might validly ask what our alternatives are toward regions in need of economic development. Some are familiar because we have tried them; others are daring and harder to envision.

Our first choice is to actually hinder the region. We can do this by actually working against the region or by working in a favorable and discriminatory way for other regions. Historically, we have done this by our expenditure of funds for national defense and research. Today, we are seeing the problem this has created

for us. Some of the problems in urban centers today stem from the hope people have placed in real and imaginary opportunities. People have left rural America and migrated to the city. Today, the city is everything but the dream it has been portrayed to be. If this urban problem is to be controlled, we must return opportunities and people to the rural areas.

Our second alternative is to ignore the region. This has been our traditional approach and one which some here would like to see continued. To continue this policy is to ignore the problem of both the people in the rural area and the populated area.

The third approach we might take is that of subsidizing the region. Appalachia is partially a story of subsidization. We have expanded welfare, we have constructed public works, but to me it is still lacking in overall regional coordinaion to meet the problems causing the low income.

A fourth procedure would be to relocate the people of the region. I need not tell you how unpopular this idea is with the citizens or the political leaders. This would work to eliminate one part of the problem—the people would be moved to an area where opportunity was greater. Of course, the problems of the urban area would be increased as the price of solving the rural problem, and in the longrun, we will create more problems.

The fifth choice places emphasis on expansion. This advocates more jobs with the hope per capita income will benefit. For some people, this may prove to be the answer, but again the basic causes of low incomes are not attacked.

The sixth and last alternative is economic development. This, the harder approach, works for the development of better jobs. Not just more jobs, but better jobs. These jobs produce a higher per capita income because potentials are identified and met.

The challenge to the new regions being formed under the authority of the Economic Development Act, is to change the system. We must see that it is a system actually capable of eliminating, or significantly reducing, the causes of low per capita incomes. The solutions to these root causes are found in the regions and not in Washington. I feel these changes are effectively promoted by title II of S. 602 and that is why I support it strongly.

I can only speak of my experiences in the Ozarks region. But, I am sure these experiences are much like those of my colleagues in other areas.

In Arkansas, the local people have started to work on identifying the needs required to solve the basic causes of the low incomes. They are not looking for welfare. Our local communities, counties, and State government, through the coordination of the Governor are working to help apply the solutions that are planned. When we do identify our needs in coordination with the needs of adjoining counties of other States in our depressed Ozark region we will be ready to join forces with the Federal Government.

This is the logical reason, it appears to me, that we need our overall plan to be presented to one executive position at the Federal level—so that the program as a total approach, not piecemeal, may be evaluated and coordinated with all of the executive departments involved. Admittedly, in finding a solution our region and others will be calling upon the operating agencies of the Federal Government for technical evaluation as they develop. At this moment the new regions are not as immediately concerned with the problem of agency coordination because their funding in this bill is for technical assistance, planning, and supplemental grants in aid, which will be under the control of the Secretary of Commerce. However when regional planning develops programs that justify expenditures in addition to these supplemental grants in aid the regional commissions should be operating on the same footing as the Appalachian Commission.

Any discussion about Federal coordination requires attention be directed toward the cost of the program. In this case, Mr. Chairman, we must look at two costs. The cost of acting and the cost of not acting.

In the part of Arkansas that is included in the Ozarks region, the local, State, and Federal Government was cheated of $344 million in tax revenues last year. These levels of government would have had this much additional revenue had the people of this small area enjoyed the average national income.

To coordinate the Federal portion of an effective regional development program in fiscal year 1968, it will cost $7.5 million per regional commission and in 1969, it would cost around $12.5 million. I feel this is a reasonable amount to start a program that may be regional in its geographic concept but must be considered national in its economic implications for the future.

Mr. CRAMER. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. McDADE].

(Mr. McDADE asked and was given permission to revise and extend his remarks.)

Mr. McDADE. Mr. Chairman, I rise to give my unqualified support to this bill.

The program carried out by the Appalachian Regional Commission has had a solid and constructive beginning. It is a program which represents a unique relationship between the Federal and State Governments, and has proven itself a useful and effective way to do business. It should, in my judgment, be considered a precedent for the handling of other Federal programs. The Governors have their say; the Federal cochairman appointed by the President has his say; and out of this joint process have come wise and prudent decisions on the expenditure of Appalachian Act funds.

I hope I may recall to your attention, Mr. Chairman, the birth of this bill in the Congress. At the time, the Governors of the several States appeared before the committee to testify. Our own Governor, the distinguished William W. Scranton, appeared not only to testify to the merits of this whole concept, but more particularly to request that there be added to the Appalachian Act the mine restoration section which deals specifically with assistance to those communities which find themselves facing a serious problem by reason of underground mine fires and mine subsidences. I have seen that program working in my own district, and I assure you that this is a program of immense value, in terms both of human life and of property.

The northern section of the anthracite region in Pennsylvania terminates in my congressional district. The principal city in the area is the city of Scranton. Out of this region has come, for a century, millions of dollars' worth of anthracite coal, which not only fueled the homes and industries of America, but which also created a major industry in the area in which it was mined.

Unfortunately, the story has another side. The very process of mining left behind the threat of subsidences in the terrain over the mines. The residue of mining left behind the possibility of fire breaking out in abandoned areas. We have faced both of these problems in my district. And we have faced them with great success precisely because of the assistance given through the Appalachian Act.

We have built a whole new economy in the area that once depended for its existence on the anthracite mining industry. Where once we had unemployment, we have built a new prosperity in the diversity of industries which have come to our area.

And these industries started to come long before our public institutions focused their attentions on the problems of unemployment. In the city of Scranton the concept of self-help through industrial development was born and blossomed. Countless millions of dollars voluntarily given by people from all walks of life permitted us to begin our own attack on the problem of unemployment and we are succeeding. New industrial giants like the Radio Corp. of America, Litton Industries, and the American Can Co. have joined the list of corporate citizens who have long made this area their home.

But we have other problems—difficult problems—problems that are beyond the scope of local resources which this act permits us to conquer. I am sure that most of my colleagues in the House are not readily familiar with the problems which can be created by an underground mine fire or an underground mine subsidence. They can be exceedingly difficult if the proper tools are not available.

Many years ago a mine subsidence or mine fire represented a critical threat to the future of the community where it occurred. Today these problems are solvable because we have the machinery to deal with them quickly and effectively, and that machinery is the bill which we consider today.

Let me give you two examples:

Recently two mine fires burning underground were discovered within my district. Potentially they contained the

seeds to destroy the industrial base which the people of my area have fought for 20 years to build. Potentially they contained the seeds to destroy the homes of people who had spent a lifetime paying for them. But, thanks to the machinery of this bill, thanks to the expertise of people who have developed a new technology to deal with the horrible problem of an underground mine fire, we are able to deal with them with quiet confidence.

Take away this act, take away the muscle that is its authorization, take away the expertise that has developed this technology, and you will have dedestroyed one of the most enlightened and important steps we have taken in the 5 years that I have been a Member of this body.

In short, Mr. Chairman, there are literally hundreds of thousands of people in my own congressional district alone for whom the Appalachian Act has been the beginning of an era instead of the end.

I wish, at this time, to address myself particularly to a section in the bill which would permit the States and/or local units of government to include the cost of acquiring land as part, or all, of their 25-percent matching funds on strip-mine reclamation projects. According to a study by the Department of Interior, only 4 percent of the strip mine areas in Appalachia are owned by public bodies. Because of the present restrictions in the Appalachia Act, prohibiting the expenditure of funds on lands not in public ownership, few projects have developed in the strip mine areas. This section, permitting local or State units of government to acquire these lands as part of their contributions, would be a significant step to the further development of our region.

Mr. Chairman, I have long believed that that government is best which is closest to the people. Through the Appalachian Act, we have seen the Federal Government move closer to the people through the partnership which has come about with the governments of the States. I have observed no attempt on the part of the administrators of this program to make this a political program. We have had two successive Republican administrations in Pennsylvania. The first, in the person of Governor Scranton, helped shape the bill. The second, in the person of Governor Shafer, heartily endorses it.

I hope there will be no funds cut from this bill. It is doing a vital job and is doing it well, not only in the area of mine restoration, but in the construction of essential roads, and in other projects which are needed in the Appalachian region.

The work we have done in rebuilding our area into an area of industrial distinction has been hailed as a miracle all across the United States. I assure you, Mr. Chairman, that we intend to go further on the path of distinction, and I assure you equally that this bill is a vital tool for us to use along the way.

Mr. CRAMER. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. DON H. CLAUSEN].

(Mr. DON H. CLAUSEN asked and was given permission to revise and extend his remarks.)

[Mr. DON H. CLAUSEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. CRAMER. Mr. Chairman, I yield 7 minutes to the gentleman from Kentucky [Mr. CARTER].

Mr. CARTER. Mr. Chairman, I ask the endorsement of this House today for S. 602, which extends the Appalachian Regional Development Act of 1965, for another 2 years. I especially urge the approval of section 211 of this act—providing funds for vocational education—at the authorization level that was recommended by the Committee on Public Works.

I wish to commend the Appalachian Regional Commission for the spirit of bipartisanship which has dominated its work during the 2 years that it has been in existence.

I think that the Commission has done an admirable job of administering the Appalachian program. At no time has there been any evidence of partisan influence on the operation and administration of the program. This, I believe, is a real tribute to the members of the Commission, representatives of the Federal Government, and the 12 Appalachian States.

In the past, most people in the Appalachian region have earned their income from one of three major activitivities—coal mining, heavy industry, and farming. Nationally, employment in these occupations has declined over the past quarter century, but the effects in the Appalachian region have been particularly severe.

Additionally, thousands of young Appalachians enter the labor force each year. It is essential that they meet the world of work possessing some occupational skills, lest they jump from school rolls to welfare rolls without ever holding a job.

The answer to this dilemma is vocational education. Section 211 of the Appalachian Regional Development Act of 1965 authorized $16 million for construction of new vocational education centers—either in conjunction with high schools or separately—and for purchases of equipment for these new schools. The full authorization was appropriated and, by the end of fiscal year 1967, virtually every penny has been used.

Vocational training is indisputably one of the most essential ingredients in the development and improvement of the Appalachian region. The Appalachian States have all recognized the importance of providing vocational training to the greatest possible number of people who can profit from it. In fact, the vocational education program has been one of the most successful and most popular of the various programs under the Appalachian Act.

Appalachia's most valuable asset is its people. But the region has not used its people wisely. To often, they have been ignored and neglected. They have been allowed to go without jobs, usually because they do not possess the skills which are necessary to perform today's jobs. That is why there are hundred of thousands of Appalachian people who are forced to subsist on welfare and who have lost all hope of working.

That is also why millions of Appalachian people have left the region and gone to the big cities where they hope to find work. Massive migration to the cities has been no solution. It has only compounded the national problem of what to do about the hordes of unskilled who have crowded into the cities.

The way to alleviate the plight of the unemployed in Appalachia is contained in the vocational education program which we are now considering. This program will take the high school dropout and the poorly trained adult and equip him to perform a worthwhile job. These jobs can be found and they can be found in Appalachia. Some of these jobs are going begging right now in Kentucky and West Virginia and elsewhere in the region because there are not enough people who are trained to fill them. But, unless these people get the training that they so desperately need, they will only linger as statistics on the unemployment rolls and the welfare rolls of Appalachia—or perhaps Chicago and Detroit and other big cities.

The House Public Works Committee—at the suggestion of the Appalachian Regional Commission—set the authorization for vocational education projects for the next 2 years at $26 million, or $10 million more than the 1967–68 period. The Appalachian Commission indicates that current estimates for vocational education facilities could use $40 million in Federal funds in fiscal year 1968. Approximately $20.5 million will be available to the Appalachian region in fiscal year 1968 under the Vocational Education Act of 1963. The rapid pace of vocational school construction in the region has placed an increasing burden on these funds for operations. Even with an additional $13 million in fiscal year 1968—half of the Commission's biennial request—Federal funds will fall considerably short of the level which could be effectively utilized.

These statistics make clear that the $26 million authorization for Appalachian vocational education facilities in the next 2 years is a justifiable and desirable investment.

Mr. DENNEY. I yield 4 minutes to the gentleman from Tennessee [Mr. DUNCAN].

(Mr. DUNCAN asked and was given permission to revise and extend his remarks.)

Mr. DUNCAN. Mr. Chairman, I rise in support of this legislation. It is never a pleasure to oppose the ranking member of the minority, because there is no one in the House of Representatives for whom I have greater respect and admiration. His sincerity certainly is unquestionable.

Mr. Chairman, I have been interested in the remarks of my colleagues who call this legislation favoritism. In the makeup of our country we have had and always will have an unequal distribution of Federal funds for certain Federal programs. This bill does favor my area of

Appalachia. However, the people of my area also believe that other areas of this country are favored by other Federal programs.

For example, the total expenditures of Federal aid for highway construction in our State of Tennessee is $28.16 per capita, but we are not complaining because Nevada received $95.53 per person, Alaska received $199.79 per person, Montana $84.04, Wyoming $146.49 per person, and a great number of other non-Appalachian States receive as much as 100 percent more than does our State, and other Appalachian States surrounding our State.

We are not also complaining because Florida, Alaska, California, Arkansas, Kansas, Louisiana, New York, Oklahoma, Rhode Island, and Iowa, and 20 other States, receive a considerably amount more Federal funds per capita for public assistance than does my State and other States in my area.

We have heard much about agriculture conservation, and I understand there will be an amendment to delete any work for agriculture conservation, or any conservation in Appalachia.

The Members may be interested in knowing about and hearing these figures, and I will ask them how they sound when we talk about favoritism. Would the Members believe that the per-capita expenditure for the program in agriculture conservation is $165.98 in North Dakota, $112.79 in Nebraska, $101.29 in South Dakota, $86.58 in Kansas, $75.85 in Iowa, while at the same time in these five States in my Appalachian area these figures read as follows: Alabama $9.93, Georgia $10.87, Virginia $4.18, Tennessee $9.96, and Kentucky $13.31.

We also find from these figures—and I received these figures from the Library of Congress—that in these same States that we call the "prosperous States" they receive more Federal funds per capita for education than do most of the States in the Appalachian program.

So, Mr. Chairman, I say let us be fair when we talk of favoritism.

Mr. Chairman, I yield back the balance of my time.

Mr. CRAMER. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. HARSHA].

(Mr. HARSHA asked and was given permission to revise and extend his remarks.)

Mr. HARSHA. Mr. Chairman, I rise in support of the pending legislation to revise and extend the Appalachian Regional Development Act for a period of 2 years.

When the Appalachian bill was considered by Congress in 1965, it was understood that this special, remedial program, to deal with the chronic economic problems of the Appalachian region, would have a 6-year life. The highway portion of the program was authorized for 6 years in recognition of the fact that such a major construction program could not be accomplished in a shorter term. The Appalachian Regional Commission was chartered for a 6-year period to administer the program.

Other sections of the act were authorized for only 2 years to give the Congress an opportunity to examine the program after 2 years of operation and to determine what, if any, modifications should be made in it. The bill before us would authorize for an additional 2 years programs to improve the public facilities of the region, with particular interest on health and education, programs to deal with the legacy of mining which afflicts so much of the region, programs for land conservation and for utilization of the region's water resources.

There is little question that 2 years experience with the Appalachian Regional Development Act of 1965 leads to the conclusion that this House was correct in its initial judgment to establish the program. The minority views, in fact, filed by several of my colleagues on the House Public Works Committee contain no criticism of the administration of the program by the Appalachian Regional Commission and, indeed, make the point that all evidence presented to the committee points to the fact that the program has been "honestly and conscientiously administered."

There has been a good deal of talk, off and on, over the past several years about States right, about States prerogatives, and about how the Federal Government has usurped almost all of them.

There is also talk of an attempt to reverse this trend, of revenue sharing with the States, block grants to the States and a general restoration, within our Federal system, of State sovereignty.

I submit that the bill before us today is one of the best things this House has seen for doing just that, for recognizing and restoring the responsibility of State government.

The way it works is that the States in league with their local communities decide their own needs and their priorities for the use of Appalachian Act funds, and then justify them to their sister States and the Federal Government. This process requires the Governors of these States, as the officials most intimately concerned, to make the fundamental decisions on the investment of funds.

Each and every specific project is born in and of the States. Local communities, working with the State governments, form and shape the programs which the States then submit to the Commission.

If, for example, a State decides its needs lie in the field of vocational education, it then makes the commitment to invest available Appalachian funds to fill this need. More and more States, incidentally, are finding that vocational education is a key to economic advancement.

Vocational education helps to meet two of the region's greatest needs: upgrading the skills of the unemployed and providing skills to those about to enter the labor force. One of Appalachia's deepest seated problems has been lack of skilled people who can neither find productive work nor keep up with the rapid technological changes which make the old skills obsolete.

I am pleased, for that reason, that our committee has seen fit to increase the authorization for vocational education for the next 2 years from $18 to $26 million. In the first 2 years of the program, nearly $16 million has been obligated to build some 70 such schools. I hope a lot more will be built in the next 2 years.

At the same time I would note that the committee has made a considerable reduction in the authorizations that were recommended by the other body. This reduction amounts to over $53 million.

The point here is not so much the amount of money to be spent nor for what purpose it is to be spent. The point I am trying to make is that in my State of Ohio and all the other States the people and their Governors decide the things needed to give Appalachia economic equity. They are not told in any instance by the Federal Government what is best for them. They decide in their own interest what is best for them.

It seems to me that this is the way a lot of us would like to see things operate. We keep talking about the role of the States and their better qualifications for deciding their own best interests. Today, gentlemen, we are being asked quite frankly to put our money where our mouth is.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. HARSHA. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I merely wish to compliment the gentleman for a very fine statement, and I think a statement that is consistent on the point of the role of the States in connection with our resource development and the development of our human resources. I think the gentleman has stated very correctly the great strength of this Regional Commission approach as we have been following it. We have relied very heavily upon the States for initiative and decision in connection with this program. I think that is the secret of its success and its popularity at the grass roots in the States. That is why it is so inconceivable to me that some of the very outspoken champions of States rights in this body apparently have abandoned this principle insofar as this program is concerned.

Mr. HARSHA. I thank the gentleman.

It was stated earlier that the intent of the Appalachian highway program has been violated by the application of funds on routes where some kinds of roads now exist. This gives a total false impression of what this program is about and why it was enacted.

It is true that this program is to "open up new areas"; it is not only to make those cities and towns, where employment exists, accessible to people who live in the Appalachian region, but also to open up the Appalachian areas to stimulate new investment in those areas to encourage travel and tourism therein.

Many of the corridors designated by the Appalachian program for the receipt of these funds are now traversed by a road because there are few avenues of passage through these mountains. These roads are circuituous and often dangerous. They are not, in many cases, capable of handling heavy commercial traffic or making these areas attractive for new plant location and the development of new jobs. Straightening out and rebuilding these roads to provide a regional system of highways is essential to the growth of the region.

It should be noted that even dealing with corridors where existing right-of-way is used and, in some cases, even existing pavement, the estimated cost of providing adequate highways in the designated system is close to $2.2 billion. The Appalachian Commission, with the States concurring, voted to live with what was authorized for the original system—$840 million—and the bill before us does not provide for any general increase. This was done because of an awareness for the need for economy and careful use of these funds. If totally new locations were used, the cost would be astronomical.

My colleague from Ohio earlier referred to Route 50 as being a poor choice for an Appalachian corridor because it went to Cincinnati. Route 50 is a key link in the Appalachian system, traversing the central area of the region where unemployment has been a major problem. It provides an east-west route from Cincinnati to the Baltimore-Washington area, through the heart of Appalachia—southern Ohio and West Virginia. The commerce it will generate through this area will return many times over its cost. Other routes serve other key population centers such as the corridor from Columbus, south to Asheville, N.C.

An adequate highway system in this day and age is a prerequisite to economic progress.

Mr. OLSEN. Mr. Chairman, will the gentleman yield at that point?

Mr. HARSHA. I yield to the gentleman from Montana.

Mr. OLSEN. The highway goes the other way from Cincinnati also, does it not?

Mr. HARSHA. Highway 50?

Mr. OLSEN. Yes.

Mr. HARSHA. I think it probably does.

Mr. OLSEN. The implication was that it went to Cincinnati. I just wanted to know if it went the other way, too.

Mr. HARSHA. I think it does.

Mr. OLSEN. It traverses several counties that need this highway. Is that not correct?

Mr. HARSHA. I do not think the Appalachia portion of it extends beyond there.

Mr. OLSEN. But there are several counties?

Mr. HARSHA. It goes clear across the country, but it is a key link to the Appalachian system. It provides an East-West link.

There has been a lot said about the pending bill amending the original act to provide for the appropriation of all Appalachian Act program funds to the President.

It is true this procedure is in contrast to the present law under which appropriations are made to the several departments of the Federal Government, having responsibilities under the act. However this change has been suggested to permit consolidation of the program for budgetary purposes and permit flexibility in the use of Appalachian Act appropriations.

To my mind, the essential reason for this change—and its primary justification—is that it manifests a vote of confidence in the Appalachian Regional Commission and the conception of Federal-State partnership which it involves. Appropriation of funds to the President is a further means of emphasizing the prerogatives and roles of the States in the planning of these funds. It permits the Appalachian Governors to deal with confidence with the Federal cochairman of the Commission, the President's representative, and to participate in the key decisions regarding where limited funds can best be used within the framework of the program.

This change emphasizes the independence of the Appalachian Regional Commission which is so rare a creature that we should give it every possible chance for complete success.

The line agencies responsible for the basic program areas in which the Commission operates would not be shut out because there is provision in this bill that all their standards and criteria be met and their opinions and recommendations, rules, and regulations be honored.

This is a gesture of belief that we know what we are talking about when we say the several States should be an equal partner in the federal system.

Furthermore, Mr. Chairman this legislation is the product of bipartisan contributions and consideration. Many amendments recommended by the minority were adopted. The minority in their report maintain that the program is being honestly and conscientiously administered. With such a commendation it would seem quite reasonable to ask this body to extend this program for another 2 years. A truly impressive beginning has been made and the promise this program holds for the future is such that continuation of it is unquestionably in the national interest. We are trying to preserve the resources of this Nation.

Mr. JONES of Alabama. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina [Mr. TAYLOR].

Mr. TAYLOR. Mr. Chairman, I am giving strong support to this legislation. The Appalachian program is an historic landmark in State-Federal relationships. It is one of the Nation's best examples of success through teamwork by Federal, State, and local units of government. This is the best administered program which I have seen since coming to Washington.

It was the Appalachian Governors who first urged an interstate approach to the problems of the region and who originated the Appalachian program. A remarkable degree of cooperation between the Federal Government and the Governors has marked the work of the Appalachian Commission from the very beginning. The Appalachian program is bringing new hope to the 18 million people who live in the hills and mountains of Appalachia.

The strength of this program, in part, lies in its adaptability from State to State, each State using it to solve its own problems and to meet its own needs. It has permitted national goals to be translated into workable programs to meet local needs. This program is making possible the construction of vitally needed highways, health and vocational facilities, sewage treatment plants and other community facilities.

The Appalachian program is, in my opinion, the most important piece of legislation for the people of western North Carolina that has been enacted since I became a Member of Congress.

This is a program to rebuild and revitalize the economy of the entire Appalachian area. The highway building proposals in the Appalachian bill, coupled with its other features, promise relief to an area which has suffered economically because of an inadequate highway system.

The rugged geography of the Appalachian region creates tremendous transportation problems and much higher construction costs.

Appalachia is an underdeveloped region with vast untapped human and physical resources. In most sections of the Appalachian Mountains, as in my area, the people have been active in trying to solve their own problems. They have been resourceful, self-reliant, and courageous. They have worked hard and accomplished much.

Since 1948, Western North Carolina Associated Communities has been an active organization promoting regional development. This organization founded the Western North Carolina Regional Planning Commission which, with the aid of a professional planning agency, made an economic analysis of the area and outlined a development program. The development report stated that the key to the development of western North Carolina is roads and highways, and I know that the same applies to other sections of Appalachia.

I am strongly supporting S. 602. It offers continued hope and economic uplift to a section of our Nation. But I will confine my remarks in the main to the importance of the highway construction and the vocational education provisions of the bill.

Isolation is the prime problem of Appalachia. Highway and rail builders usually found it easier to bypass this mountainous region than to traverse it.

Civilization moves with transportation and transportation has been an important factor in the development of each section of our great country. The Appalachian region lies close to great concentrations of people and wealth, but isolation caused by inadequate highways and transportation facilities has prevented the extension of such growth and economic prosperity into the Appalachian Mountains.

Highways are needed to ease traffic congestion in some places and are needed as an instrument of economic development throughout the Appalachian area.

By opening the door to transportation, we lay the foundation for private enterprise to come in to build and develop wealth and jobs. The area is rich in climate, in water, and timber resources, and in human resources. Make the area accessible with modern highways and these resources will bring about its development along industrial and recreational lines and will convert it into a land of promise.

I am proud to report that practically all of the Appalachian corridor highways approved for western North Carolina are in some stage of development—either in the engineerring, right-of-way acquisition, contract letting, or construction stage. The first link of Appalachian corridor highway was completed and dedicated last fall near Asheville, N.C. This new highway system is breaking down the isolation caused by North Carolina mountains so as to permit the area to engage more fully in interstate and international commerce. The construction of access roads under this program will increase job opportunities for the people.

The new roads and prospects of new roads are already causing new industries to locate in the region and present industries to expand. The new roads planned are already becoming an important factor in the expansion of the area's tourist business.

The vocational training and manpower training features of the program have done much to promote development of technical and vocational training facilities in western North Carolina. As the doors open to vocational training we do much to reduce unemployment, create job opportunities, and to make workers employable by providing new skills. This vocational training development benefits every businessman and every service establishment by increasing the earning ability and per capita income of our citizens. Such training is a safeguard against the effects of automation in this age of science and technology. It provides that our most valuable natural resource, the brains and muscles and ingenuity of our people, can be most effectively utilized.

The Appalachian program is promoting local, State, and Federal cooperation in meeting the economic needs of an important section of our Nation. It is encouraging people to help themselves. It deserves the continued support of Congress.

(Mr. TAYLOR asked and was given permission to revise and extend his remarks.)

Mr. JONES of Alabama. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. HECHLER].

Mr. HECHLER of West Virginia. Mr. Chairman, I rise in support of a bill which attempts to go to the heart of the problems faced in the Appalachian areas of our Nation.

This bill is based on the concept that several States, working together, can be better armed to fight economic problems in unison than separately. Since economic problems do not stop at State lines, it is imperative that we approach their solution on a regional basis.

The States solicit the help of the Federal Government in areas such as unemployment, lack of adequate educational facilities, and economic isolation due to lack of good transportation facilities. This idea and this approach have been eminently successful. They should be continued.

Representing many shades of opinion, many philosophies, and many political beliefs, the States have worked remarkably well together in providing a common attack on the problems they face. The States in the Appalachian region have acted with respect for each other, with concern for each other's problems and in keeping with the philosophy of the program and the mandates of the law.

This concept of State equality, an integral part of the whole program, does not bog down in any Alphonse and Gaston-ism. The central program has direction and thrust. It can be given even more with an alteration of the appropriations procedure so that the money can go through the central authority of the Commission which has built-in safeguards of Federal supervision and regulation and also can preserve sufficient flexibility.

What this program has achieved thus far is a beachhead. It has made a beginning.

Let me give a concrete example of one of the types of assistance which can be mobilized under the legislation under discussion. The two largest cities of West Virginia, Charleston and Huntington, are located 50 miles apart. Each city has a population of less than 100,000. They are joined by an interstate highway. Each city now has its own airport. Each airport is inferior by jet standards, and in 2 or 3 years when the airlines convert to jets they will not be able to land safely at either airport. But how can local communities of the size of Charleston and Huntington afford to finance a new airport?

We have been fortunate in enlisting the interest of the States of Ohio and Kentucky, our neighbors on the west, who have many passengers interested in better air service. They are willing to go over into West Virginia to obtain this service. But how do you put together a complex mechanism involving three States and crossing a number of county lines? Here is where the Appalachian Regional Development Act is coming into play. Just this morning, the Appalachian Regional Commission announced a technical assistance grant of $12,000 to enable the start of preconstruction planning on a midway regional airport, halfway between Charleston and Huntington. This $12,000 is drawn $4,000 each from the States of West Virginia, Kentucky, and Ohio's allocations. It is supplemented by $8,000 in local funds from the counties of Cabell and Putnam. The Federal Aviation Administration is putting up $20,000 to help finance this preconstruction planning.

I doubt if we could tie these numerous pieces together were it not for the Appalachian Regional Commission, which will help break the economic isolation by building a great new airport which will serve the most people at the least cost.

This is not being done by Federal administrative fiat. Yesterday, the voters of Cabell County were called on to vote their share of $2.5 million for the building of the airport. The cynics said that Cabell County would never vote to build an airport in another county, yet they came out in recordbreaking numbers. An unprecedented 40 percent came to the polls, and they voted 86.2 percent in support of the midway airport—by a smashing vote of over 16,000 to 2,500.

This could never have been done without the assistance of the Appalachian Regional Commission, which is helping with the preconstruction planning funds, and also will help with the construction funds.

Mr. Chairman, I hope that this bill will win wide and enthusiastic support of the House.

Mr. JONES of Alabama. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. FARBSTEIN].

(Mr. FARBSTEIN asked and was given permission to revise and extend his remarks.)

Mr. FARBSTEIN. Mr. Chairman, I favor this legislation. The only trouble is, I do not believe it goes far enough.

I was touched by the heart-rending plea of the gentleman from Georgia, and I echo his sentiments, when he talks about stacked up slums and ghettos.

As a matter of fact, I heard much of the debate which was going on this afternoon, and the only thing which really surprised me was that nobody, but nobody, mentioned the fact that the cities, the areas of grief, the pockets of poverty, the slums, are not at all being attacked.

It seems to me that if there is any discrimination in this legislation, it is discrimination against the cities. You hear talk of people dreaming of a better life. Do they dream of a better life only in the rural areas? Do you not think they dream of a better life in the city slums and ghettos?

You talk about the migration of people to the cities out of the rural areas. You send these people up to the cities and then you wash your hands of them. When we ask you to help us, you turn a deaf ear. Is this fair? Is this decent? Is this aid to the Nation or is this aid solely to particular little areas? When we in the cities come here for housing, you turn a deaf ear to us; but when you want funds for the farmers, well, that is fine. We have to give it to you. And we do.

Tomorrow I am going to offer an amendment to include pockets of poverty in the cities, which, I hope, will be added to this legislation. I hope I will get your support, because we need vocational schools in the cities. We have to take those people off the welfare rolls and give them jobs. Why do you suppose you have riots throughout the country? In Newark, Detroit, Watts, Harlem, and Bedford Stuyvesant? It seems to me that the crying need throughout the entire Nation is for aid to those people living in the infernos. But you ignore this cry of despair. There has not been one person on the floor today except for myself so far, who has gotten up and raised his voice on behalf of the riot-torn cities. Is this discrimination? Well, if there was ever discrimination, this certainly is it.

Mr. Chairman, I do hope you gentlemen on the committee will take into consideration the fact that there are people who need help besides the rural areas and the fact that you have to talk about other things than mountains. You have to think about people. I hope I will get the assistance of all of you gentlemen tomorrow when I offer my amendment.

Thank you.

Mr. JONES of Alabama. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. RYAN].

(Mr. RYAN asked and was given permission to revise and extend his remarks.)

Mr. RYAN. Mr. Chairman, I listened to the remarks of my colleague, who preceded me. He has raised a very important question, one which we raised before the Committee on Public Works last year. I testified on May 24, 1966, in support of a bill which I had drafted in conjunction with the gentleman from California [Mr. HAWKINS] some 4 or 5 years ago which would have made eligible for public works aid under the then existing depressed areas legislation poverty areas of 50,000 population within cities. Unfortunately, under the present law either an entire county or an entire municipality of 250,000 persons or more must meet the criteria in order to qualify for assistance under the Public Works and Economic Development Act of 1965. This means that poverty areas within the major cities such as Cleveland, Los Angeles, Chicago, and New York are excluded and do not receive the assistance which is necessary in order to meet the problem of unemployment as it affects America; not only rural America but urban America, and it affects practically all of the districts which are represented among the 435 of us.

I have drafted an amendment which I submitted to the distinguished floor manager of the pending bill, the gentleman from Alabama [Mr. JONES]. I have advised him that I expect to offer it when the bill is open for amendment tomorrow.

My amendment is similar to my bill, H.R. 1251. It would make eligible for designation as a redevelopment area a part of a county with a population of 50,000 or more or a part of a municipality with a population of 50,000 or more.

Mr. Chairman, it is essential to reach pockets of poverty and hard-core unemployment within our cities.

In 1965 the Congress passed the Public Works and Economic Development Act. This far-reaching piece of legislation provided programs of grants and loans for public works, development facilities, commercial expansion, technical assistance and aid to planning agencies, as a means of assisting the economies of distressed areas.

Redevelopment areas for the purposes of the act are designated on the basis of median family income or unemployment levels. As I pointed out, in order to qualify for assistance on the basis of these criteria, a municipality of 250,000 persons or more is treated as a whole. Because of this statutory definition of a redevelopment area, some of the most needy urban areas, which would otherwise qualify, have been excluded from assistance. This stems from considering unemployment rates for entire municipalities, regardless of the disparity within them.

Many urban areas whose extremely high unemployment has made them riot-prone nevertheless are excluded from assistance because the city in which they are located taken as a whole does not qualify. This quirk in the act affects the Watts area of Los Angeles, western Detroit, the Hough district of Cleveland, and Harlem, Bedford-Stuyvesant, and south Bronx in New York.

My proposal would not only permit the inclusion of needy areas whose accidental geographical association with more affluent areas now excludes them, but it would also rationalize the converse situation where an entire larger area has been pushed over the margin by the existence of a badly depressed area within it. If for example, the unemployment rate in central Cleveland were to rise slightly, all of Cleveland, including the prosperous areas, would then be eligible.

In testifying on my bill last year, Eugene P. Foley, then Director of the Economic Development Administration, stated that his agency was "aware of and sympathetic with the plight of these isolated and impoverished urban areas."

Unfortunately, more than a year later the situation in the cities has worsened.

If one wants an ironic example of how the present criteria operate, he need only look at Cleveland, where a slight improvement in the overall employment picture last year disqualified the Hough area, which has the highest unemployment in the Nation. This took place two weeks before the Hough riots.

By pinpointing the areas of greatest need, we will insure that the aid will go where it is most sorely required, and that qualification will not be dependent on the economic health of an entire geographical unit.

So, Mr. Chairman, I urge support of the amendment discussed by the gentleman from New York [Mr. FARBSTEIN] and support of my proposed amendment, both of which are designed to reach this particular problem. It is my opinion that we cannot wait any longer. A year has now gone by without any action by the Committee on Public Works. We have had the summer of 1967 and we have had Newark and Detroit. One of the basic causes of this civil disorder, of course, is unemployment. One of the basic reasons is lack of job training and lack of job opportunity.

Mr. Chairman, I urge that this problem be met now and not be postponed any longer.

Mr. CRAMER. Mr. Chairman, I yield myself such time as I may consume.

(Mr. CRAMER asked and was given permission to revise and extend his remarks.)

Mr. CRAMER. Mr. Chairman, I listened with a great deal of interest to the colloquy which has been held relating to this proposed amendment. However, I feel that there are several aspects pertaining thereto which I would like to mention. I think this proposed amendment is the best evidence of the Pandora's box that is being opened by the inclusion in this bill of title II, relating to EDA.

If title II had not been brought into the actual consideration of this measure as an unrelated matter, this issue would not be before the House at this moment, an issue on which the Congress of the United States does not claim to have an answer at the moment. It is a matter which is now under study. It is a matter on which, if one takes the approach being proposed, means the adoption of the continuation of programs that have proven to be failures, and very new programs which would be added to the EDA, which would take over the present programs and add to them, with bonus money.

So, Mr. Chairman, I do not feel that anyone could feel with proper justification that by adding some of these 50,000 persons in poor areas it would substantially solve the problem, a problem which we cannot solve today with the basic programs which are now in existence. We cannot solve many of these problems with money. We cannot solve many of them with so-called demonstration cities programs. We cannot solve them with urban renewal programs. We cannot solve them with the variously proposed housing programs. We cannot solve them with public housing. And further, we cannot solve them with millions more in the OEO program as well as adding anything and everything to the EDA program.

Mr. Chairman, the only answer is that we would be giving a little more money to the present program, and this entire Pandora's box is opened up, I feel, unwisely.

So, if this decision could be met by an amendment at the present time, it has not been adequately considered; there is nothing magic about the figure of 50,000 persons; it has to be considered with relation to all of the present and planned new programs.

Mr. Chairman, by just placing another layer on the cake of the present programs is not the answer. However, the main point here today is the fact that this Pandora's box is opened because they choose to use the EDA approach as a rider when, in fact, we should be talking about Appalachia.

Mr. Chairman, as we are about to finish general debate on this matter, I think it wise that all Members have an accurate idea of the various financial matters relating to the Appalachian program. Tomorrow, we will begin the consideration of amendments to S. 602, as reported. Some of these amendments will concern authorizations for appropriations. So that all Members can intelligently discuss the amendments to be offered tomorrow, I will request, when we go into the House, unanimous consent to include a financial analysis of the Appalachian regional development program.

The following table shows the financial analysis of the Appalachian region development program and the effect of S. 602:

APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965 (PUBLIC LAW 89-4)

[Financial analysis, in millions of dollars]

Section	Program	Department	27-month authorization	Appropriations								Committed as of June 30, 1967	Carryover	Unappropriated authorization	S. 602 authorization	S. 602 plus or minus carryover	Budget request, fiscal year 1968
				Fiscal years 1965 and 1966 (15 months)				Fiscal year 1967			Total Appropriation						
				Request	Appropriation	Commitment	Carryover	Request	Appropriation	Available							
105	Administrative expenses	ARC	[1] 2.40	1.30	1.29	1.29	0	1.11	1.10	1.10	2.39	2.39	0	0.01	1.70	1.70	0.785
202b	Health facilities	HEW	41.00	21.00	21.00	0	21.00	2.50	2.50	23.50	23.50	0	23.50	45.50	50.00	73.50	15.00
202c	Health operations	HEW	[2] 28.00														
203	Soil conservation	Agriculture	17.00	8.50	7.00	6.38	.62	4.38	3.00	3.62	10.00	10.00	0	7.00	19.00	19.00	3.00
204	Timber development	do	5.00	1.35	1.00	0	1.00	.50	0	1.00	1.00	.75	.25	4.00	1.00	1.25	0
205	Mineral resources	Interior			16.00	10.77	5.23	10.57	7.00	12.23	23.00	20.90	3.95	11.65	30.00	33.95	.80
	Fish and wildlife	do	36.50	18.00	1.35	0	1.35	1.35	.50	1.85	1.85						.40
206	Water resources	Corps of Engineers.	5.00	1.70	1.50	1.23	.27	1.80	1.50	1.77	3.00	3.00	0	2.00	2.00	2.00	2.00
207	Housing	HUD	New												5.00	5.00	0
211	Vocational education	HEW	16.00	8.00	8.00	3.42	4.58	8.00	8.00	12.58	16.00	15.99	.01	0	26.00	26.01	7.00
212	Sewerage treatment	Interior [3]	6.00	3.00	3.00	1.56	1.44	3.00	3.00	4.44	6.00	5.00	1.00	0	6.00	7.00	3.00
214	Support grants	Commerce	90.00	45.00	45.00	18.19	26.81	35.00	30.00	56.81	75.00	64.00	11.00	15.00	71.00	82.00	30.00
215	Culture	A. & H	New														0
302	Res. LDD	Commerce	5.50	3.00	2.50	1.60	.90	3.00	2.75	3.65	5.25	3.02	2.23	.25	10.00	12.23	3.00
401	Total, exclusive of highways		252.40	110.85	107.64	[4] 44.42	[4] 63.22	[4] 71.20	59.35	[4] 122.57	166.99	125.05	41.94	85.41	[5] 220.00	[5] 261.94	[5] 64.20
201	Highway systems	Commerce	[6] 805.60	200.00	200.00	176.55	9.22	130.00	100.00	109.22	300.00	171.00	129.00	540.00	715.00	844.00	100.00
	Access roads	do	[6 7] 35.00			14.23											
	Total		1,092.40	310.85	307.64	235.20	72.44	201.20	159.35	231.79	466.99	296.05	170.94	625.41	936.70	1,107.64	164.985

[1] $2,200,000 from sec. 105 plus $200,000 from sec. 401.
[2] Not to be appropriated or needed until construction facilities are completed under sec. 202b.
[3] Transferred from HEW to Interior per Reorganization Plan No. 2 of 1966, effective date May 10, 1966.
[4] Totals do not agree due to rounding of figures.
[5] Does not include sec. 105 which under S. 602 would be only funds not authorized to be appropriated to the President.
[6] 6-year authorization.
[7] Authorization of sec. 201 is $840,000,000. Appalachian Regional Commission apportioned funds as shown.

Mr. CRAMER. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. DENNEY].

(Mr. DENNEY asked and was given permission to revise and extend his remarks.)

Mr. DENNEY. Mr. Chairman, the hour is getting late. I know many of the Members are tired of sitting here. I am confronted with a situation that I heard an eminent jurist once make when he said "the hour of decision is a lonely one."

To my mind the hour of decision on this bill is a lonely one, because each and every one of us are going to have to decide whether this bill is proper, whether it is the best that this House of Representatives can produce.

Ladies and gentlemen, I sat and listened to 97 witnesses. I made a trip with our esteemed subcommittee chairman who, I want to say at this point in the RECORD, is one of the finest men I have ever met in my life. He showed me every courtesy throughout these hearings. As a freshman in the House, he allowed me to delve into the witnesses and ask the questions I wanted, but I have some reservations, ladies and gentlemen, about this bill for this reason: I come from the midwestern area, from Nebraska. There we believe that a man can go just so high if he develops a self-help, if he develops a desire, and an initiative to proceed to lift himself up.

I am concerned about some of the amendments in this bill. For example, the appropriation of the funds directly to the President. Of all things, if this bill is as good as the proponents have said, why is it that it must be changed? Why not leave it in the hands where it was, and let it continue to work, as they say, in such a remarkable manner. I believe the President has all he can do at the present time with the problems he is faced with, both domestic and in foreign affairs.

I am concerned about the expansion of Appalachia so that it is gradually expanding throughout the United States.

If the Members will take a map—and I have one here—and if they will draw a line from Madison, Wis., directly south, they will see that with the proposed 20 counties in Mississippi they have covered approximately 40 percent of the United States. It is gradually going on and on and on. This was not the original concept.

As I read the original report, there were seven States that the President investigated through a regional commission. That was the idea of Appalachia. We will now have 12 States. We have one more county in New York, two more in Alabama, one in Tennessee, and 20 in Mississippi. How much farther shall we go? When the regional commission reported it said Appalachia because it had the bold upthrust of land that it was a region separate and apart, it did not have good access, and the people in that area needed help. Yet in 18 of those 20 counties in Mississippi the highest elevation is 806 feet above mean sea level. Is that a bold upthrust of land?

Mr. Chairman, to my mind this is just an open door to try and get more.

I am seriously considering, if this bill passes, drafting a bill at the next session and introducing it to ask for a midwestern regional development area out in the Great Plains area. Why not? What is wrong with it?

Also, I am concerned with the fact that we have these two bills together. For example, Appalachia was conceived and made into law March 9, 1965. EDA was made into law on August 26, 1965. Two separate bills. Yet here today in 1967 we are faced with one, and I believe the distinguished gentleman from Florida hit it right on the head when he said there is a reason for it. Everybody who believes they can qualify under UDA will vote for this bill, so that they will not kill the EDA provisions.

Mr. Chairman, I also want to spend just a few minutes—and this is where the hour of decisions is lonely, again—I have discussed with Members throughout the House of Representatives that I have the opinion that title I of this bill is unconstitutional, and I have been told, "Well, that was all taken up in 1965, that was discussed."

Then I have had it said to me that the Attorney General of the United States at that time ruled that it was constitutional. Well, several of you are lawyers in this room, and the Attorney General puts on his trousers just like you and I do—one at a time—and his opinion is no better than his research and the research that his staff does. But I would like to call your attention to a different approach than the approach that was argued back in 1965.

On page 92 of the report accompanying this bill, this briefly outlines my thinking as to why I believe the Appalachian Regional Development Act of 1965 and title I of this bill is unconstitutional, although it is not unconstitutional per se as to the Federal Government. Let me say right here, ladies and gentlemen, I thought that the gentleman from Georgia did an outstanding job of appealing to the emotions of all of us here in this room.

I was down in Appalachia. I saw little kids in threadbare rags. I saw mud 3 feet high in houses. There is no question but what my heart goes out to these people. But the point is that we are still a government of laws and not of men, Are we going to conform to the rules and regulations that have made this country great? Or are we going to say that because there are certain areas in our country that need some help that we are going to feed in Federal funds?

Right at this point, I want to say because of the operation of the equal protection clause of the 14th amendment which provides that all States must treat their citizens equally, that there is only one State under title I of this law that

qualifies, and that is the State of West Virginia, because every single county in West Virginia is in Appalachia.

Look at the State of New York. The distinguished gentleman from New York [Mr. FARBSTEIN] has brought out that the city of New York and its residents must pay taxes to help to keep Appalachia rolling to the tune of millions of dollars—920 million and some odd dollars in this next year.

How can each one of you go back to your constitutents—you in California and to Kansas, and to my State of Nebraska, and all over the country and say, "Yes, we made a special law for people in an arca which is gradually eroding—but just be patient and we will get out to the Midwest and out to the west coast eventually."

The Appalachian Regional Commission under section 1(a) has one member for each participating State.

Under section 102 the Commission develops plans and determines the priorities and since the States involved have only a portion of their counties in the program, the State contribution comes from revenues extracted from all of the counties—this would constitute discrimination against the counties not in the Appalachia program.

I would like to call attention to section 211 of the 1965 act which authorizes $16 million in grants for the construction of vocational education facilities in the region. These funds are in addition to sums provided to the Appalachian States under the Vocational and Education Act of 1963.

Mr. Chairman, I am sure all of my colleagues who have any legal experience are acquainted with the case of Brown against the Board of Education of Topeka, a landmark case, wherein it was held that:

Today education is perhaps the most important function of our State and local governments.

In these days it is doubtful that any child may reasonably be expected to succeed in life if he is denied the opportunity of an education. Such an opportunity, where the State has undertaken to provide it, is a right which must be made available to all on equal terms.

In the same case on page 692, the court said:

We conclude that in the field of public education the doctrine of separate but equal has no place.

Separate educational facilities are inherently unequal.

Therefore, we hold that the plaintiffs are deprived of equal treatment of the laws guaranteed by the Fourteenth Amendment.

Mr. Chairman, I can see no difference between racial discrimination and geographical discrimination.

Here you would have a State providing separate and additional educational or vocational facilities in one part of the State and not in another. This, to me, seems likewise inherently unequal.

Section 202 of the 1965 act, in the demonstration health project authorizes $41 million for constructing and equipping health facilities and $28 million for their operation.

S. 602 would authorize additional funds to be used for training personnel or for possible deficits.

This is again a matching-funds project. The Court held in the case of Beal again Holcombe that it is the individual who is entitled to equal protection of the laws, and if he is denied a facility or a convenience which under substantially the same circumstances is furnished to another, he may properly complain that his constitutional privilege has been invaded. In terms of a local government offering a facility to its citizens, I believe the reason is even more compelling to make health facilities available to all citizens.

Mr. Chairman, I have the idea—and there will be a motion to strike title I—that title I is unconstitutional. I think title II is constitutional because it sets up a formula that provides equal treatment to all citizens of a class throughout the United States. I think definitely that the Appalachian region could qualify under title II. Why is it necessary to have a separate bureaucracy appropriate different money and continue to proliferate these Federal programs?

It is high time for Congress to take a stand and say to the American people who are paying the tax bill, "Look, we are going to cut down on some of this. We have a good program that is working. We will fit these programs together. We will consolidate them, and we will get more of a tax dollar value out of your money that is being sent to Washington."

I definitely believe that title I is unconstitutional. I ask you all to carefully consider how it does discriminate against the citizens of States that are involved in this program. Those citizens who are not in the Appalachian region are likewise being discriminated against. This is a different approach than was made 2 years ago.

Mr. Chairman, I yield back the balance of my time.

Mr. JONES of Alabama. Mr. Chairman, I yield 16 minutes, the remainder of my time, to the distinguished gentleman from Texas [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman, as we come to the conclusion of this general debate, it might be well for us to review the basic philosophy of this Appalachian program.

First, let us address ourselves to the question of whether or not it constitutes favoritism or preferential treatment for one section of the country. Perhaps it is appropriate for me to comment on this subject since I represent a district rather far removed geographically from the Appalachian region. There is no conceivable way in which the district that I have the privilege of representing could become eligible for the entitlements under this bill.

And yet it we examine the broad sweep of the history of the United States and the actions of our Government, we are forced to conclude that this bill contains no more regional favoritism than literally hundreds and probably thousands of programs that have been advanced by this Congress.

As early as 1785, one of the very first years of the life of this struggling, infant Republic, the Northwest land ordinance was enacted requiring relatively more prosperous citizens of the better developed areas along the Eastern Seaboard to share of their affluence with those relatively less-developed and poverty-ridden areas west of the Ohio River. Ever since that time, there has been an absolute parade of legislation that superficially favors one area of the country. Almost any economic bill that we pass in Congress benefits to a greater extent than others either some geographic section or some economic group or some industrial or business interest.

Surely we have had many examples of regional programs. The Tennessee Valley Authority could be said to be nothing other than regional in its approach. The Bonneville Power Authority surely could be said to be nothing other than regional.

If it should be contended certain counties and certain States being eligible while others are not eligible would render this bill somehow subject to a constitutional challenge, then I invite the attention of the gentleman who raises that point to the fact that the Great Plains conservation program makes eligible a total of 408 counties in 10 different States—and only those are eligible—for the benefits of the Great Plains conservation program. Surely then that is a regional program.

Surely we could say nothing else but that the great reclamation program, which has reclaimed desert land through the benefits of irrigation in 11 of our Western States, is a regional program. Certainly the agricultural subsidy programs that this Government has had for more than a generation are regional in their effect. Cotton is regional where it grows. Corn is regional. Wheat is regional. Peanuts and tobacco are regional. Therefore, the application of these programs is strictly regional.

Certainly one could not challenge the fact that our Economic Development Administration program approaches in a regional sense the scattered pockets of poverty throughout our country. The demonstration cities program that this Congress enacted applies to 40 or 50 individual cities. So these are local in their application. Every public power project, every public works project, every navigation project, every flood control project is regional or local in the application of its benefits. So there is nothing new in this principle.

If it is said that this would be favoritism or preferential treatmcnt, then I should think we would have to see it as preferential only in the sense that it attempts to help the people of an economically deprived arca of our country achieve something approaching economic parity with the rest of the country. That has been basically the purpose of thesc other bills I have described.

Parenthetically, may I add that my particular district does not qualify for eligibility under a single one of these scores of programs. Yet I have supportcd them, because I am convinced they arc good for America. Surely it would not be productive of any legislation if each of us were to support only those bills that directly benefited his own district. Certainly we could not produce any legislative approach to domestic problems at all if that were our reaction.

This bill proceeds on the assumption bespoken by the late President John F. Kennedy when he said: "A rising tide raises all boats." Certainly if the people

of the Appalachian region achieve a better state of economic self-sufficiency, it will help the entire Nation. They become better customers for the goods and products produced in the other districts of the Nation. They pay more taxes and thus pick up a fairer share of their portion of the tax burden of the Nation.

So we approach this from the standpoint that whenever any part of the American family falls on hard times, then it behooves the rest of us to assist as best we can to give them the tools by which they can better their own lot. That is the philosophy of this bill. It is not a handout. It is a hand up. It is only attempting to give to the people of an area that has become geographically and historically deprived the means by which it can lift itself by its own bootstraps.

The Appalachian region has witnessed a historical decline through no fault of its own, isolated by these great mountain barriers, isolated from commerce, having seen the decline of the three pillars of its economy—coal, and farming and timber. These citizens need something else. Clearly they need the infrastructure to permit them to come into the last third of the 20th century and to make their contribution. This bill attempts to do that. It attempts to permit those in that region to better their lot by giving vocational training to people who may have known nothing other than coal mining, which no longer is as economic an operation as it once was. It attempts to benefit them and the rest of the Nation by connecting them through this ribbon of concrete with the other parts of the Nation, that they may then make their contribution.

It is not a perfect bill. I believe that no one has made the contention that the program has become a panacea, but it has made strides in the 2 years of its life.

Perhaps one of the best proofs of the success of the program is the fact that many Members who most opposed it 2 years ago are now attempting to get their particular districts qualified to participate in its benefits. That to me indicates it has been to some degree successful.

It has raised hopes. It has permitted people to lift their chins and look to the future with a greater degree of enthusiasm in this historically smitten region.

On balance, I believe it is a good program.

This has been a constructive debate. Our committee attempted, in its deliberations, to take into account the legitimate and constructive criticisms of the administration of the program. We adopted many of the recommendations suggested by our colleagues on the Republican side of the aisle. They made some notable contributions to our committee deliberations.

Due to some of the amendments which were accepted in the committe, approximately $54 million has been deducted from the total cost of the bill.

I believe what we have ultimately brought to the House is a good package—not a perfect package; few things are, in this imperfect world—a good package which helps us to build one more paving block in the road to a better and stronger and more prosperous America for the future.

Mrs. DWYER. Mr. Chairman, I must regretfully but vigorously oppose the present bill—regretfully because the legislation indicates that we are still far from developing a Federal grant-in-aid program which will bring assistance, in a precise and effective way, to the people of economically depressed areas, and vigorously because I can find no justification for supporting a bill which will authorize additional hundreds of millions of dollars for a program which has fallen so far short of its objective as the Appalachian regional development program has.

A program of this kind is essentially preferential and discriminatory, by its very nature. It singles out one part of this country for special assistance which is not available to other sections—not on the basis of need or of ability to use the aid in the national interest, but on the strength of an arbitrary geographical designation. It is undeniable that portions of Appalachia are among the most deprived areas in the United States. But so are other parts of the country. Economic assistance should be provided wherever the need is great but it should be administered through programs which are available to all areas on the basis of their need and their potential for effective use of the aid.

The present program, Mr. Chairman, is a classic case of grants-in-aid gone wrong. In addition to being highly discriminatory, it has been wasteful, duplicating, and ineffective, and the pending bill proposes to proliferate these objectionable features. Instead of being limited to a region of similar economic characteristics and problems, it is proposed to expand it to embrace an area extending from Mississippi to upstate New York—an area which includes many regions and many different economic problems. Though designated and justified as an antipoverty program, its assistance goes as often as not to the region's more affluent parts. Rather than direct its aid specifically to people who need help, the program has devoted the great bulk of its funds to the improvement of existing highways, thereby freeing conventional Federal and State highway funds for use outside the region. The net gain in the fight against poverty seems pretty close to zero.

And now, through this bill, additional counties and States have their hands out, areas which have never been considered a part of the Appalachian region, as broad and loosely defined a description as that has already become. It is apparent, once again, that the easy availability of Federal money is just too much to resist.

In my judgment, Mr. Chairman, there are no circumstances which would justify legislation of this kind. But faced, as we are, with a terribly expensive war in Vietnam, with a proposed 10-percent income tax increase, with competing claims from superior programs for scarce resources, and with tragically unmet needs in the real war against poverty, then we have no alternative but to defeat the present legislation.

Mr. RHODES of Arizona. Mr. Chairman, in this period of fiscal crisis and mounting war costs, we do not believe that special domestic programs such as the Appalachian Regional Development Act should be expanded and enlarged. S. 602 would expand this program by adding 24 new counties that are outside the established Appalachian region. It would authorize funds for new purposes and in excess of the amounts requested and appropriated in prior years. In addition, S. 602 would amend and expand the Public Works and Economic Development Act even though the administration did not ask for these amendments, made no provision for the additional authorized funds in the budget, and presented no testimony regarding this proposal to the House committee.

When Congress enacted the Appalachian Regional Development Act, it did so on the basis that it was providing special assistance to help solve specific economic problems within an identifiable region. S. 602 would expand the region by adding 24 counties—one in New York, one in Tennessee, two in Alabama, and 20 in Mississippi. This is totally inconsistent with the original concept. The new counties in no way fit the description of "a mountain land boldly upthrust" and they are chiefly characterized by their lack of "ridges and twisted spurs and valleys." If the Appalachian region were to be enlarged to include counties such as these, it would mean that legislation designed to meet a unique problem in a specific economically deprived area has been changed into general assistance legislation. Moreover, other counties in the Appalachian range that do fit this description are not included.

Under the present Appalachian Regional Development Act, appropriation requests have been submitted as a part of the budget of the executive department responsible for implementing a particular program. Such requests have been considered along with all other appropriation requests by that department. The funds that appear to be necessary to operate a particular program then have been appropriated to the requesting department.

S. 602 would change this procedure completely. It would authorize the appropriation of the Appalachian development funds directly to the President. Thus the President, rather than the various executive departments, would be responsible for the proper administration, allocation, and expenditure of such funds. Under this system, there is a grave possibility that those who administer the programs could be effectively insulated from congressional scrutiny and oversight. In view of the pyramiding of officials through whom the funds will pass and the dilution of responsibility, this change cannot be justified.

As reported by the committee, S. 602 would authorize the appropriation of a total of $220 million for fiscal years 1968 and 1969 for Appalachian programs, other than the $1.015 billion for 6 years for highways. Of this $220 million, the President has requested the appropriation of $64.2 million for fiscal year 1968, which is in line with the average annual

expenditure of about $55 million during the first 27 months of the program. Thus, if all of the funds requested by the President for 1968 are appropriated, there would remain $155.8 million authorized to be appropriated for fiscal year 1969. This is almost three times the average annual expenditure to date and two and one-half times the President's 1968 budget request.

Unless the Johnson-Humphrey administration plans to launch a dramatically expanded spending program just prior to the election, there is no need for this sharp increase in authorization. We believe the amounts authorized by S. 602 for general Appalachian programs should be reduced to provide for a level of commitments that the budget requests of the President now indicate will be undertaken.

Despite the fact that the basic purpose of S. 602 is to authorize the appropriation of funds for the continuation of the Appalachian development program, title II of this bill would amend and expand the Public Works and Economic Development Act. Proposals to amend this completely different and distinct act should be considered on their own merits. There is time to do this for all of the EDA authorizations run through fiscal 1968. Moreover, the administration did not ask for the immediate authorization of new programs for EDA, and neither the House nor the Senate Committee on Public Works heard testimony from the administration or from the regional Commission regarding these amendments.

On August 3, 1967, the President forwarded a message to Congress wherein he urged the immediate enactment of a 10-percent surtax. In this message, it was stated that unless expenditures are tightly controlled and the tax increase is imposed, the deficit for fiscal 1968 could be more than $28 billion. The Secretary of the Treasury has warned that a budget deficit of this magnitude would force so much borrowing by the U.S. Treasury as to disrupt credit markets and send interest rates "sky high." We welcome this concern over the present fiscal situation and this new found support for our efforts to cut governmental expenditures. We believe that the pledge of the Director of the Budget to cut $2 billion in civilian spending is a step in the right direction. We hope that it will be implemented.

Unfortunately, the Johnson-Humphrey administration has given no indication that it is really prepared to carry through on this pledge. Its theories on cutting government expenditures have been much preached but little practiced. If this country is to avoid a sharp tax-increase, substantial spending reductions must be made. Certainly, in this period of fiscal crisis, the Appalachian program should not be expanded.

Mr. JONES of Alabama. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina [Mr. HENDERSON].

(Mr. HENDERSON asked and was given permission to revise and extend his remarks.)

Mr. HENDERSON. Mr. Chairman, I support this bill. It has particular relevance in my State and for the whole Nation as well.

The objective of this program is to restore or elevate various parts of the country to economic equality. It is preferential treatment only so far as any Federal program is for any purpose. The objective, plainly stated, is equal opportunity to share in the Nation's abundance.

What is different and interesting about this program is the way in which it sets out to achieve its purpose. The formation of the regional Commission for Appalachia, for New England, for the Coastal Plains, for the Great Lakes, for the Ozarks, and for the four corners is founded on the theory of States rights, State sovereignty, and State equality within the federal system. These commissions are doubly significant vehicles for the accomplishments of this purpose.

They are significant in their makeup—the partnership of the State and Federal Governments—and they are significant in what they portend for the future.

If we ever expect to accomplish anything conclusive and beneficial, particularly in the field of domestic economic development, it will have to be in this way. It will have to be the Federal Government working in concert with the States as their partner rather than as their ruler.

We have seen this concept succeed already in the Appalachian Regional Commission. This Commission has proven beyond a shadow of a doubt that such a governmental partnership can work. This is reason enough for us to approve its continuation.

The other regional commissions, cut from the same cloth, should enjoy the same success and accomplish the same things. This is reason enough that they should be allowed to begin.

The Committee on Public Works has been vindicated in its confidence 2 years ago that this program would work. The evidence has shown that we were right then and the House agreed with us. This is no time to rescind our action or regret our approval. This is the time to say, "good job, keep going."

We should not overlook the fact of the larger national meaning of this bill. Besides giving vitality to the theory that State and Federal Governments can be completely compatible, and besides bringing different regions of the country to a full productive share of the regional economy, this bill can very well serve to ease our massive urban problems.

We all know that the urban problems are compounded, if not actually created, by the mass migrations from rural areas and small cities and towns into our large metropolitan centers. If a way can be found to bring prosperity and livelihood to these rural sections to slow down the rush to the cities, would not that at least give the cities a little breathing space? The answer of course lies in economics which is really what makes the country tick. This bill is geared to redress the economic imbalance in this Nation. It may very well help redress the social imbalance also.

The committee was impressed that both titles of this bill are worthwhile. We worked hard to improve them.

I know personally how well the Appalachian program works and I am optimistic that the Coastal Plains program can be at least as successful.

I urge you to support this bill and to do something positive for the Nation which you can defend and justify under any circumstances.

Mr. JONES of Alabama. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, pursuant to the rule, the Clerk will now read the substitute committee amendment printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1967

SEC. 101. This title may be cited as the "Appalachian Regional Development Act Amendments of 1967".

SEC. 102. Section 102 of the Appalachian Regional Development Act of 1965 (hereinafter in this title referred to as "the Act") is amended (1) by inserting "and" at the end of clause (7); (2) by striking out the semicolon and the word "and" at the end of clause (8) and inserting in lieu thereof a period; and (3) by striking out clause (9).

SEC. 103. Section 105 of the Act is amended to read as follows:

"ADMINISTRATIVE EXPENSES OF THE COMMISSION

"SEC. 105. (a) For the period ending on June 30, 1967, the administrative expenses of the Commission shall be paid by the Federal Government. Thereafter, such expenses shall be paid 50 per centum by the Federal Government and 50 per centum by the States in the region, except that the expenses of the Federal Cochairman, his alternate, and his staff shall be paid solely by the Federal Government. The share to be paid by each State shall be determined by the Commission. The Federal Cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

"(b) To carry out this section, there is hereby authorized to be appropriated to the Commission, to be available until expended, not to exceed $1,700,000 for the two-fiscal-year period ending June 30, 1969. Not to exceed $400,000 of such authorization shall be available for the expense of the Federal Cochairman, his alternate, and his staff. Unexpended balances of appropriations under the authorization in this section prior to amendment by the Appalachian Regional Development Act Amendments of 1967 shall remain available for the purposes of this section, as amended, until expended."

SEC. 104. Clause (7) of section 106 of the Act, entitled "ADMINISTRATIVE POWERS OF THE COMMISSION", is amended to read as follows:

"(7) enter into and perform such contracts, leases (including, notwithstanding any other provision of law, the lease of office space for any term expiring no later than June 30, 1871), cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem apropriate, with any department, agency, or instrumentality of the United States (which is hereby so authorized to the extent not otherwise prohibited by law) or with any State, or any political subdivision,

agency, or instrumentality thereof, or with any person, firm association or corporation."

SEC. 105. Title I of the Act is amended by inserting at the end thereof a new section as follows:

"COMMISSION EMPLOYEE PROTECTIONS

"SEC. 109. Section 5334(a) of title 5, United States Code, is amended by adding at the end thereof the following new sentence: 'For the purpose of this subsection, an individual employed by the Appalachian Regional Commission under section 106(a) of the Appalachian Regional Development Act of 1965, or by a regional commission established pursuant to section 502 of the Public Works and Economic Development Act of 1965, under section 506(2) of such Act, who was a Federal employee immediately prior to such employment by a commission and within six months after separation from such employment is employed in a position to which this subchapter applies, shall be treated as if transferred from a position in the executive branch to which this subchapter does not apply.'"

SEC. 196. Section 201 of the Act is amended to read as follows:

"APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

"SEC. 201. (a) In order to provide a highway system which, in conjunction with the Interstate System and other Federal-aid highways in the Appalachian region, will open up an area or areas with a developmental potential where commerce and communication have been inhibited by lack of adequate access, the Secretary of Transportation (hereafter in this section referred to as the 'Secretary') is authorized to assist in the construction of an Appalachian development highway system and local access roads serving the Appalachian region. The provisions of title 23, United States Code, that are applicable to the construction and maintenance of Federal-aid primary and secondary highways, and which the Secretary determines are not inconsistent with this Act, shall apply, respectively, to the development highway system and the local access roads. Construction on the development highway system shall not exceed two thousand seven hundred miles. Construction of local access roads shall not exceed one thousand two hundred miles that will serve specific recreational, residential, educational, commercial, industrial, or other like facilities or will facilitate a school consolidation program.

"(b) The Commission shall transmit to the Secretary its designations of (1) the general corridor location and termini of the development highways, (2) local access roads to be constructed, (3) priorities for the construction of segments of the development highways, and (4) other criteria for the program authorized by this section. Before any State member participates in or votes on such designations, he shall have obtained the recommendations of the State highway departments of the State which he represents.

"(c) In no event shall the Secretary assist in any construction (including right-of-way acquisition) which would require for its completion the expenditure of Federal funds (other than funds available under title 23, United States Code) in excess of the appropriations authorization in subsection (g). On its completion each development highway not already on the Federal-aid primary system shall be added to such system and each development highway and local access road shall be required to be maintained by the State as provided for Federal-aid highways in title 23, United States Code.

"(d) In the construction of highways and roads authorized under this section, the States may give special preference to the use of materials and products indigenous to the Appalachian region.

"(e) For the purposes of research and development in the use of coal and coal products in highway construction and maintenance, the Secretary is authorized to require each participating State, to the maximum extent possible, to use coal derivatives in the construction of not to exceed 10 per centum of the roads authorized under this Act.

"(f) Federal assistance to any construction project under this section shall not exceed 50 per centum of the costs of such project, unless the Commission determines that assistance in excess of such percentage is required in furtherance of the purposes of this Act, but in no event shall such Federal assistance exceed 70 per centum of such costs.

"(g) To carry out this section, there is hereby authorized to be appropriated to the President, to be available until expended, $715,000,000 for the four-fiscal-year period ending June 30, 1971.

"(h)(1) When a participating State proceeds to construct a segment of a development highway without the aid of Federal funds, in accordance with all procedures and requirements applicable to the construction of segments of Appalachian development highways with such funds, except insofar as such procedures and requirements limit a State to the construction of projects for which Federal funds have previously been appropriated, the Secretary, upon application by the State and with the approval of the Commission, is authorized to pay to the State the Federal share not to exceed 70 per centum of the costs of the construction of such segment, from any sums appropriated and allocated to such State to carry out this section.

"(2) This subsection shall not be construed as a commitment or obligation on the part of the United States to provide funds for segments of development highways constructed under this subsection, and shall not increase the limitation on construction in subsection (c)."

SEC. 107. Section 202 of the Act is amended to read as follows:

"DEMONSTRATION HEALTH PROJECTS

"SEC. 202. (a) In order to demonstrate the value of adequate health facilities and services to the economic development of the region, the Secretary of Health, Education, and Welfare is authorized to make grants for the planning, construction, equipment, and operation of multicounty demonstration health projects, including hospitals, regional health diagnostic and treatment centers, and other facilities and services necessary to health. Grants for such construction (including the acquisition of privately owned facilities not operated for profit and initial equipment) shall be made in accordance with the applicable provisions of title VI of the Public Health Service Act (42 U.S.C. 291–291o), the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), and other laws authorizing grants for the construction of health-related facilities, without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

"(b) No grant for the construction or equipment of any component of a demonstration health project shall exceed 80 per centum of such costs. The Federal contribution may be provided entirely from funds authorized under this section or in combination with funds provided under other Federal grant-in-aid programs for the construction or equipment of health-related facilities. Notwithstanding any provision of law limiting the Federal share in such other programs, funds authorized under this section may be used to increase Federal grants for component facilities of a demonstration health project to a maximum of 80 per centum of the costs of such facilities.

"(c) Grants under this section for operation (including initial operating funds and operating deficits comprising among other items the costs of attracting, training, and retraining qualified personnel) of a demonstration health project, whether or not constructed with funds authorized by this section, may be made for up to 100 per centum of the costs thereof for the two-year period beginning, for each component facility or service assisted under any such operating grant, on the first day that such facility or service is in operation as a part of the project. For the next three years of operations such grants shall not exceed 50 per centum of such costs. No grant for operation of a demonstration health project shall be made unless the facility is publicly owned, or owned by a public or private nonprofit organization, and is not operated for profit. No grants for operation of a demonstration health project shall be made after five years following the commencement of the initial grant for operation of the project. No such grants shall be made unless the Secretary of Health, Education, and Welfare is satisfied that the operation of the project will be conducted under efficient management practices designed to obviate operating deficits. Notwithstanding section 104 of the Public Works and Economic Development Act of 1965 (79 Stat. 554), a health-related facility constructed under title I of that Act may be a component of a demonstration health project eligible for operating grant assistance under this section.

"(d) The Secretary of Health, Education, and Welfare is authorized to provide funds to the Commission for the support of its Health Advisory Committee and to make grants for expenses of planning necessary for the development and operation of demonstration health projects for the region. The amount of any such grant shall not exceed 75 per centum of such expenses.

"(e) Not to exceed $50,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 108. Subsection (i) of section 203 of the Act, entitled "LAND STABILIZATION, CONSERVATION, AND EROSION CONTROL", is amended to read as follows:

"(i) Not to exceed $19,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 109. Subsection (b) of section 204 of the Act is amended to read as follows:

"(b) Not to exceed $1,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 110. (a) Clause (1) of subsection (a) of section 205 of the Act, entitled "MINING AREA RESTORATION", is amended to read as follows:

"(1) make financial contributions to States in the region to seal and fill voids in abandoned coal mines and abandoned oil and gas wells, and to reclaim and rehabilitate lands affected by the strip and surface mining and processing of coal and other minerals, including lands affected by waste piles, in accordance with provisions of the Act of July 15, 1955 (30 U.S.C. 571 et seq.), to the extent applicable, without regard to section 2(b) thereof (30 U.S.C. 572(b)) or to any provisions therein limiting assistance to anthracite coal formation, or to the Commonwealth of Pennsylvania. Grants under this paragraph shall be made wholly out of funds specifically appropriated for the purposes of carrying out this Act."

(b) Strike out clause (3) of subsection (a) of section 205 of the Act.

(c) Subsection (b) of section 205 of the Act is amended to read as follows:

"(b) For the fiscal years 1966, 1967, 1968, and 1969, notwithstanding any other provision of law, the Federal share of mining area restoration projects, including reasonable planning and engineering costs, carried out under subsection (a) of this section and conducted on lands other than federally owned lands shall not exceed 75 per centum of the total cost thereof. The non-Federal share of the total cost of any project carried out under subsection (a) of this section may include reasonable land acquisition costs incurred in acquiring land necessary for the purposes of implementing such project, if such land is acquired after the date of enactment of the Appalachian Regional Deveiopment Act Amendments of 1967."

(d) The first sentence of subsection (d) of section 205 of the Act is amended to read as follows: "Not to exceed $30,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 111. Subsection (g) of section 206 of the Act, entitled "WATER RESOURCE SURVEY", is amended to read as follows:

"(g) Not to exceed $2,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 112. Part A of title II of the Act is amended by inserting at the end thereof a new section as follows:

"ASSISTANCE FOR PLANNING AND OTHER PRELIMINARY EXPENSES OF PROPOSED HOUSING PROJECTS UNDER SECTION 221 OF THE NATIONAL HOUSING ACT

"SEC. 207. (a) In order to encourage and facilitate the construction or rehabilitation of housing to meet the needs of low- and moderate-income families and individuals, the Secretary of Housing and Urban Development (hereafter in this section referred to as the 'Secretary') is authorized to make grants and loans from the Appalachian Housing Fund established by this section, under such terms and conditions as he may prescribe, to nonprofit, limited dividend, or cooperative organizations, or to public bodies, for expenses of planning and of obtaining an insured mortgage for a housing construction or rehabiiitation project, under section 221 of the National Housing Act (hereinafter in this section referred to as 'section 221'), in any area of the Appalachian region determined by the Commission to have significant potential for future growth.

"(b) No grant under this section shall exceed 80 per centum of those administrative expenses, incident to planning a project and obtaining an insured mortgage under section 221, which the Secretary considers not to be recoverable from the proceeds of a mortgage insured under such section: *Provided*, That no grant shall be made to an organization established for profit.

"(c) No loan under this section shall exceed 80 per centum of the cost of planning a project and obtaining an insured mortgage under section 221, incluciing, but not limited to, preliminary surveys and analyses of market needs, preliminary site engineering and architectural fees, site options, Federal Housing Administration and Federal National Mortgage Association fees, and construction loan fees and discounts. Loans may be made without interest, or at any market or below market interest rate authorized for a mortgage insured under section 221: *Provided*, That any loan made to an organization estabiished for profit shall bear interest at the prevailing market rate authorized for a mortgage insured under such section. The Secretary may, except in the case of a loan to an organization estabiished for profit, waive the repayment of ail or any part of a loan made under this section, including interest, which he finds the borrower is unable to recover from the proceeds of a mortgage insured under section 221.

"(d) All funds aliocated to the Secretary for the purposes of this section shall be deposited in a fund which shall be known as the Appaiachian Housing Fund and shall be used as a revolving fund by the Secretary for carrying out such purposes. General expenses of administration of this section may be charged to the fund. Moneys in the fund not needed for current operation may be invested in bonds or other obligations guaranteed as to prinicpal and interest by the United States.

"(e) Not to exceed $5,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 113. (a) Subsection (a) of section 211 of the Act, entitled "VOCATIONAL EDUCATION FACILITIES", is amended by inserting before the word "needed" in the first sentence, the following: "and for the equipment of such facilities and other school facilities".

(b) Subsection (b) of section 211 of the Act is amended to read as follows:

"(b) Not to exceed $26,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 114. Subsection (b) of section 212 of the Act, entitled "SEWAGE TREATMENT WORKS", is amended to read as follows:

"(b) Not to exceed $6,000,000 of the funds authorized in section 401 of this Act for the two-fiscai-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 115. (a) Section 701(a) of the Housing Act of 1954 (40 U.S.C. 461(a)) is amended by striking out "and" at the end of clause (8) and all of clause (9) and inserting in lieu therof the following:

"(9) the Appalachian Regional Commission, for comprehensive planning for the Appalachian region as defined by section 403 of the Appaiachian Regional Development Act of 1965; and

"(10) local development districts, certified under section 301 of the Appalachian Regional Deveolpment Act of 1965, for comprehensive planning for their entire areas, or for metropolitan planning, urban planning, county planning, or small municipality planning within such areas in the Appalachian region, and for planning for Appalachian regional programs."

(b) The proviso of the first sentence of section 701(b) of the Housing Act of 1954 is amended by inserting after "States" the words "and local development districts".

SEC. 116. Section 214 of the Act is amended to read as follows:

"SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

"SEC. 214. (a) In order to enable the people, States, and local communities of the region, including local development districts, to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the President is authorized to provide funds to the Federal Cochairman to be used for the sole purpose of increasing the Federai contribution to projects under Federal grant-in-aid programs, as hereafter defined, above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. Funds shall be so provided for Federal grant-in-aid programs for which funds are avaiiable under the Acts authorizing such programs and shall be available without regard to any appropriation authorization ceilings in such Acts. Any finding, report, certification, or documentation required to be submitted to the head of the department, agency, or instrumentality of the Federal Government responsibie for the administration of any Federal grant-in-aid program shall be accepted by the Federal Cochairman with respect to a supplemental grant for any project under such program.

"(b) The Federal portion of such costs shall not be increased in excess of the percentages established by the Commission, and shall in no event exceed 80 per centum thereof.

"(c) The term 'Federal grant-in-aid programs' as used in this section means those Federal grant-in-aid programs authorized by this Act for the construction or equipment of facilities, and all other Federal grant-in-aid programs authorized on or before August 1, 1967, by Acts other than this Act for the acquisition of land or the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958. The term shall not include (A) the program for the construction of the development highway system authorized by section 201 of this Act or any other program relating to highway or road construction, or (B) any other program for which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act.

"(d) Not to exceed $71,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 117. (a) The first sentence of section 221 of the Act, entitled "MAINTENANCE OF EFFORT", is amended by striking out "exclusive of Federal funds," and inserting in lieu thereof the following: "exclusive of expenditures for participation in the National System of Interstate and Defense Highways, and exclusive of local funds and Federal funds,".

(b) The second sentence of such section is amended by inserting after "Highways" the following: "and expenditures of local funds and Federai funds".

SEC. 118. Section 223 of the Act is amended to read as follows:

"PROGRAM IMPLEMENTATION

"SEC. 223. No program or project authorized under any section of this title shall be implemented until (1) applications and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal iaws which he administers that are not inconsistent with this Act, and (2) the Commission has approved such program or project and has determined that it meets the applicable criteria under section 224 and will contribute to the development of the region, which determination shall be controlling."

SEC. 119. (a) Subsection (a) of section 224 of the Act, entitled "PROGRAM DEVELOPMENT CRITERIA", is amended (1) by striking out "In developing recommendations on the" and inserting in lieu thereof: "In considering"; and (2) by striking out "within those recommendations".

(b) Subsection (b) of such section is amended by striking out clause (1) and inserting in lieu thereof the following: "(1) to assist establishments relocating from one area to another;".

SEC. 120. Section 302 of the Act, entitled "GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DEVELOPMENT DISTRICTS AND FOR RESEARCH AND DEMONSTRATION PROJECTS", is

amended by (1) striking out subsections (a) through (c); (2) redesignating subsection (d) as subsection (e); and (3) inserting the following new subsections (a) through (d):

"(a) The President is authorized—

"(1) to make grants to the Commission for administrative expenses, including technical services, of local development districts, but (A) the amount of any such grant shall not exceed 75 per centum of such expenses, (B) no grants for administrative expenses shall be made for a local development district for a period in excess of three years beginning on the date the initial grant is made for such development district, and (C) the local development district contributions for administrative expenses may be in cash or in kind, fairly evaluated, including but not limited to space, equipment, and services; and

"(2) to make grants to the Commission for investigation, research, studies, technical assistance, and demonstration projects, and for training programs, but not for construction purposes, which will further the purposes of this Act.

"(b) The Commission is authorized to make a survey and study of acid pollution in the region resulting from mining activities and the effects of such pollution, in full cooperation with the Secretary of the Interior and other appropriate Federal, State, and local departments and agencies, with the objective of developing a comprehensive action program for the appropriate control, reduction, or elimination of such pollution in the region or the effects of such pollution. The Commission shall submit to the President a report, including specific recommendations for such program and for the policies under which it should be conducted, and the President shall submit the report to the Congress, together with his recommendations, not later than March 31, 1969. The study shall, among other matters—

"(1) Identify sources of acid mine pollution in the region and their type, area, ownership, and other characteristics; the relative contribution of each source; and the impact of each source on water quality in the streams affected.

"(2) Identify present and potential water-using and other activities which are affected by acid mine pollution in the region, or originating in the region, and the economic and social costs and effects attributable to such pollution.

"(3) Identify known methods and costs for the control and abatement of acid mine pollution.

"(4) Estimate economic and social benefits, public and private, that are likely to result from reducing to various levels acid mine pollution in the streams of the region and identify the types of beneficiaries and the relative distribution of the benefits to such beneficiaries.

"(5) Consider the appropriate roles of Federal, State, and private interests in programs for the control, reduction, or elimination of acid mine pollution in the region and the relative costs which each should bear, including specifically (A) the extent, if any, to which private interests can bear the cost of such programs within the economics of mining activity, (B) the effectiveness of past action by Federal, State, and local units of government in remedying or controlling the adverse effects of acid mine pollution, (C) relationships which might be established among Federal, State, and local units of government, and with private interests, for implementing and funding such programs, and (D) the need for appropriate Federal and State legislation, including adequate enforcement provisions, for such programs.

"(6) Formulate a program for the appropriate control, reduction, or elimination of acid mine pollution in the region, including the identification of specific objectives and costs, with due consideration to: (A) the developmental effects of the program, (B) the economic benefits of the program in relation to costs, (C) the social effects of the program, (D) the avoidance of unwarranted financial gain to private interests, and (E) the types and sources of aid required to accomplish the program.

"(c) (1) The Commission shall, as required by the President, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the President. The records of the Commission shall be available for audit with respect to such grants by the President and the Comptroller General or their duly authorized representatives.

"(2) Recipients of Federal assistance under the provisions of this section shall, as required by the Commission, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the Commission. Such records shall be available for audit by the President, the Comptroller General, and the Commission or their duly authorized representatives.

"(d) Not to exceed $10,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section. Not to exceed $3,000,000 of such authorization shall be available for the purposes of subsection (b)."

SEC. 121. Section 303 of the Act is amended to read as follows:

"PROJECT APPROVAL

"SEC. 303. An application for a grant or for any other assistance for a program or project under this Act shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under the Act shall be approved for assistance. No project shall be approved by the Commission unless the Commission is satisfied that the project will be properly administered, operated, and maintained."

SEC. 122. Section 401 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 401. In addition to the appropriations authorized in section 105 and in section 201 for the Appalachian development highway system and local access roads, there is hereby authorized to be appropriated to the President, to be available until expended, not to exceed $220,000,000 for the two-fiscal-year period ending June 30, 1969, to carry out this Act."

SEC. 123. (a) Section 403 of the Act, entitled "DEFINITION OF APPALACHIAN REGION", is amended—

(1) by inserting in the clause relating to the counties in Alabama after "Jefferson," the following: "Lamar," and after "Morgan," the following: "Pickens,";

(2) by inserting after the clause relating to the counties in Maryland the following:

"In Mississippi, the counties of Alcorn, Benton, Chickasaw, Choctaw, Clay, Itawamba, Kemper, Lee, Lowndes, Marshall, Monroe, Noxubee, Oktibbeha, Pontotoc, Prentiss, Tippah, Tishomingo, Union, Webster, and Winston;

"In New York, the counties of Allegany, Broome, Cattaraugus, Chautauqua, Chemung, Chenango, Cortland, Delaware, Otsego, Schoharie, Schuyler, Steuben, Tioga, and Tompkins;"; and

(3) by inserting in the clause relating to the counties in Tennessee after "Campbell" the following: "Cannon,".

(b) Such section is further amended by striking out the colon following "West Virginia" and inserting in lieu thereof a period, and by striking out all of the remainder of such section and inserting in lieu thereof the following:

"No recommendation for any change in the definition of the Appalachian region as set forth in this section shall be proposed or considered by the Commission without a prior resolution by the Committee on Public Works of the Senate or of the House of Representatives, directing a study of such change."

Mr. JONES of Alabama. Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. JONES of Alabama. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRICE of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 602) to revise and extend the Appalachian Regional Development Act of 1965, and to amend title V of the Public Works and Economic Development Act of 1965, had come to no resolution thereon.

THE CHALLENGES FACING THE LABOR MOVEMENT

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PERKINS. Mr. Speaker, the challenges facing the labor movement for the good of the entire community, especially those still in poverty, were the object of attention by Joseph A. Beirne, president of the Communications Workers of America, and vice president of the AFL–CIO, in a special Labor Day radio broadcast.

I include the text of Mr. Beirne's address, heard on the American Broadcasting Co. radio network, in the RECORD, as follows:

ADDRESS BY VICE PRESIDENT JOSEPH A. BEIRNE

It is always a temptation on an occasion such as this . . . the 85th year in which we celebrate Labor Day . . . to review our achievements and to count the milestones in our progress one by one. I propose to yield to that temptation only in the way that an author of a book, very popular early in this century, yielded to it. The author, Edward Bellamy, called his book Looking Backward. But the point in time from which he looked backward was a period many years in the future. He used that device to project his concept of our society as it would exist . . . or as he thought it should exist . . . and to comment on the present state of affairs.

And perhaps that is the only vantage point that we can use . . . a period some years distant . . . to look at ourselves today. The world and its customs and patterns are changing so fast that any attempt to look at our society from a stationary position would limit us to a very brief glimpse as it whizzed by.

President Kennedy was fond of illustrating the pace of our change in these terms. Condense if you will . . . he would say . . . the fifty thousand years of man's recorded history into half a century . . . fifty years. On that

scale man emerged from his cave 10 years ago. Five years ago man learned to write. Last month he got electric lights and telephones and automobiles and airplanes. Only last week, nuclear power. And we will have reached the stars before midnight tonight.

We are told by eminent professors that about half of all the scientific material ever published has been published since 1950 . . . that eighty percent of all the scientists the world has known are alive today. And we are told by the chairman of our atomic energy commission that man might be able to create life itself with all its mysteries before the end of the century.

Each of us, I know, has his own yardstick for measuring change, whether it's the fact that store-bought pies don't taste as good as those that mother used to make or whether the skirts are above the knees or the other way around.

And what this all has to do with Labor Day . . . is simply this. It emphasizes the speed of the change that is taking place in our society. More important, it emphasizes the need of each of us to keep pace with that change.

If we want to look backward we have to keep moving forward very fast indeed.

And that is what the American labor movement is doing today . . . moving forward fast . . . looking ahead to the new problems we will face . . . looking ahead for the solutions to these problems. We recognize that the labor movement . . . to survive and to justify its survival . . . must be working today in the context of today's society.

For the inescapable fact is that our society is infinitely more complex than it was in 1882 when Peter McGuire led his Labor Day parade into Union Square. And the labor movement is infinitely more inter-connected and inter-twined in our society than it was in those more simple days.

Today the range of interests of the American labor movement is the range of interests of the American people. We are interested in the quality and caliber of our schools . . . in our communications system . . . in the nature of our cities and the ability of our police forces to cope with the kinds of problems that exist . . . far more sophisticated than ever before. We are concerned . . . and vitally so . . . with air and water pollution . . . with the conservation of our natural resources. Our nation's tax structure and economic policy . . . our relations with the nations in Europe, Latin America and the Orient . . . the space program and its implications for the world in which we live . . . these, too, are matter of concern for the American labor movement.

The fact is that there is only one substantial private organization in the United States whose primary dedication is to the widest and best interests of all the American people. It is the only organization whose vast resources, manpower and money, are used in the interests of all the American people. And that organization is the American labor movement represented by the AFL–CIO.

By substantial I mean well organized, large and influential. By private organization I mean one that is not part of our governmental structure. By best interests of the American people I mean the interests of the business community, the educational community, the religious community as well as the rank and file citizen. I specifically suggest the AFL–CIO and its member unions work day in and day out, longer and harder, and expend its manpower and money in the interests of the entire American community rather than in the narrow area of responsibility to dues-paying members only.

It is for this reason and within this context that the American labor movement today is reaching out in two broad directions. The first is toward the growing area of white and grey collar workers . . . the people who handle and service the machines and the products of those machines, whether the products are paper work or a hardier substance . . . whose need for protection against exploitation and misuse is as great as that of the miner or railroad worker 60 years ago.

To those of you who fall into this category . . . who spend your working lives in today's white collar factories producing paper work . . . I extend a cordial invitation. Visit your nearest union office . . . my own union, the Communications Workers of America . . . CWA . . . would be glad to help . . . and find out about today's unions. Find out what they're doing for other people . . . in the newspaper and radio industries . . . in insurance companies and electronic data processing firms . . . for teachers and nurses. You'll find people like yourselves . . . people interested only in translating the spirit of our American democracy into everyday, practical terms . . . interested only in helping our country and the labor movement which serves it . . . move ahead toward a fuller realization of the American dream.

You need our strength just as we need yours.

Our second major area of concern is the existence of poverty in our country and the disturbances in our cities that are a reflection of that poverty . . . poverty of morale as well as of pocket.

We in the American labor movement constitute the front line troops in our nation's war against poverty. Recently the Communications Workers negotiated an agreement with one of the nation's telephone companies that opens the door wide to training for those who are now disadvantaged.

From a longer range point of view, we must improve our schools so that the people we train today will be able to cope with the technology of tomorrow. The teaching machines and the modern instructional techniques now in use in private industry and private schools must be made available on the broadest possible public basis. If, in earlier days, it was a matter of sound public policy to provide each of our children with a free grade school education, as a minimum, surely in today's society and that of tomorrow, we should regard it as a matter of sound public policy to provide a free education through the doctor's degree for everyone who has the ability and the desire to reach that goal.

And we need to get on with the job of eliminating our slums and our ghettos. There's little excuse for a nation as wealthy and resourceful as ours to tolerate rat infested slums . . . waterless, airless rooms with five or six people to the room . . . trash-filled streets . . . parks in which one dare not walk after night-fall.

Poverty is an old and ancient enemy of ours. We have faced it in the mining camps . . . in the company towns . . . on the waterfront . . . in the factory lofts of great cities . . . wherever working people were without means to fight exploitation.

It remains today our relentless foe . . . a barrier between the people of our land and the promise of our land. It is a foe against which we have won many battles but not yet the war.

Ending poverty in America . . . keeping pace with our galloping technology and applying its benefits fairly and equitably . . . building a society of unlimited opportunity and boundless horizons . . . these are the goals of the American labor movement as we look "backward" on this Labor Day of 1967. And, by our own good efforts and with the help of God, we shall achieve them.

THE TEXAS RANGERS

(Mr. ROBERTS asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous matter.)

Mr. ROBERTS. Mr. Speaker, this morning the lead article in the Wall Street Journal dealt with one of the most famous law enforcement agencies in the world. Except for the Northwest Mounted Police, probably the best-known police organization in history is the Texas Rangers, all 62 of them.

The Journal, a respected publication, pointed out some aspects of the current storm raging over the Rangers concerning attempts by a union to organize Latin American farm laborers in the Rio Grande Valley of Texas. A detachment of Rangers was sent some months ago, by Gov. James Connally to restore law and order in the sometimes violent situation. As a result of the Rangers' usual efficient handling of the situation, they have been barraged with charges ranging from brutality to enfringement of civil rights.

If there is any truth in these charges, I certainly do not condone misdeeds. However, it is my view and the view of respected law enforcement officials around the Nation that the Rangers are one of the best groups of lawmen in the world. They have an unparalleled record of arrests leading to the conviction of criminals. There is no denying that the Rangers are a tough bunch. Their code of honor is the chivalry of the Old West; their code of law is equal justice for all and swift, sure punishment for offenders. Like Canada's Mounties, the Rangers always get their man.

The Texas Rangers really need no defense, for their proud record is already secure in history. However, it is interesting to note that such a man as Mr. Ferris Lucas, executive director of the National Sheriffs Association, says he considers the Rangers one of the Nation's best police groups. Mr. Wendell W. Faile, national director of public relations for the National Police Officers Association, said his organization views the Rangers as "one hell of an effective law enforcement agency. We have been closely following the Rio Grande Valley situation and think if anything the Rangers should be commended for their work there."

One of the criticisms has been that the Rangers harass minority groups. The Rangers are an elite corps of the Texas Department of Public Safety. Often, Rangers are recruited from within the department's own ranks. Significantly, a number of men of Latin American ancestry serve in the department. Further, one of the Rangers' most famous officers was of Spanish ancestry. Capt. M. T. "Lone Wolf" Gonzaules retired a few years ago after a long and honor-filled carrer with the Rangers.

A spokesman for the department of public safety has assured me that there is no discrimination because of race in the selection of Rangers, although it is difficult for anyone to join this select force. There are now more than 5,000 applications on file.

The Texas Rangers are under attack, but I say to them to keep their own unwritten motto in mind: "A Ranger Never Retreats."

Mr. Speaker, the article in the Journal I referred to is as follows:

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

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WASHINGTON, D.C. 20250
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90th-1st; No. 145

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HIGHLIGHTS: House passed Appalachia bill. Senate passed flood insurance bill.

HOUSE

1. APPALACHIA. Passed, 189-168, with amendments S. 602, to revise and extend until June 30, 1969, the Appalachian Regional Development Act (pp. H11864-907, 11938). Agreed, 199-161, to an amendment by Rep. Cramer to reduce the authorization by $50 million (pp. H11904-5).

2. FOREIGN AID. Received the conference report on H. R. 9547, to authorize U. S. participation in an increase in the resources of the Fund for Special Operations of the Inter-American Development Bank (H. Rept. 641). pp. H11863-4

3. SMALL BUSINESS. Conferees were appointed on S. 1862, to amend the authorizing legislation for the Small Business Administration. Senate conferees have been appointed. p. H11864

4. RESEARCH; DEVELOPMENT. Rep. Belcher inserted an article, "The Cooperative Approach--Strengths and Economics in Regional Research and Development. pp. H11916-9

5. FARM PRICES. Rep. Schwengel inserted an article, "The Paradox of Low Farm Prices." pp. H11929-31

6. POVERTY. Rep. Button inserted a letter defending the poverty program and saying it was "impossible under the old-line, traditional agencies." pp. H11936-7
   Rep. Ashbrook reviewed his trip to observe the poverty program and criticized its administration, and Rep. Clancy agreed. pp. H11939-9

7. EDUCATION. Rep. St. Germain recommended full funding of the educational aid for Federally impacted areas. pp. H11946-7

8. HOLIDAYS. Rep. Fulton, Tenn., inserted an article, "Monday Holiday Draws Backers." pp. H11972-3

9. PACKERS AND STOCKYARDS. The Daily Digest says the Rules Committee granted an open rule for debate on H. R. 10673, to make clear that a stockyard owner has the responsibility and right to manage his stockyard in a just, reasonable, and nondiscriminatory manner, and to require persons operating at a stockyard to conduct their operations in a manner which will foster, preserve, and insure an efficient, competitive market, while preserving to the Secretary of Agriculture the right to prevent abuse of authority by the stockyard owner. p. D813

10. LEGISLATIVE PROGRAM. Rep. Albert announced the legislative program for next week: Mon., Consent Calendar, dairy indemnity payments; Tues., Private Calendar; Tues. and balance of week, various bills including the packers and stockyards bill. p. H11907

11. ADJOURNED until Mon., Sept. 18. p. H11975

SENATE

12. FLOOD INSURANCE. Passed with amendments S. 1985, to provide for a national program of flood insurance. pp. S13021-43, S13050-7

13. TAXATION. Sen. Proxmire inserted testimony opposing a tax increase. pp. S12990-4

14. DAIRY IMPORTS. Sen. Nelson recommended more quality controls on dairy imports and inserted a report by HEW on dairy-import detentions. pp. S12995-9

15. FOOD. Sen. McGovern inserted an article, "Food Is First Aid for a Hungry World." pp. S13003-4

16. POVERTY. Sen. McGovern said rural poverty causes urban problems and inserted a speech on this subject. pp. S13012-4

House of Representatives

THURSDAY, SEPTEMBER 14, 1967

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Blessed are they that hear the word of God and keep it.—Luke 11: 28.

Eternal God, our Father, so high above us that we cannot comprehend Thee and yet so deep within us that we cannot escape Thee, make Thyself real to us as we pray today.

Tired are we of our littleness and pray that Thou wilt lift us into the fellowship of great minds. Tired are we of our thoughts of discouragement and pray that Thou wilt lift us into the companionship of great hearts. In this fellowship and from this companionship may our faith be renewed, our hope strengthened, and our courage confirmed.

Bless these Representatives of our people. During these days may they be wise with Thy wisdom, strong in Thy power, and faithful through Thy faithfulness to them. According to our needs may the riches of Thy grace enter the heart of every one of us. In Jesus' name we pray. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1035. An act to protect the civilian employees of the executive branch of the U.S. Government in the enjoyment of their constitutional rights and to prevent unwarranted governmental invasions of their privacy.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1862) entitled "An act to amend the authorizing legislation of the Small Business Administration, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SPARKMAN, Mr. MCINTYRE, Mr. PROXMIRE, Mr. PERCY, and Mr. TOWER to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10738) entitled "An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1968, and for other purposes."

The message also announced that the Senate recedes from its disagreement to amendment No. 18 to the foregoing bill.

CALL OF THE HOUSE

Mr. HALL. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 251]

Adair	Feighan	Pirnie
Ashley	Ford, Gerald R.	Rivers
Aspinall	Fulton, Tenn.	Rostenkowski
Baring	Gallagher	Rumsfeld
Bell	Green, Oreg.	St Germain
Blatnik	Hansen, Idaho	Saylor
Brademas	Hébert	Smith, N.Y.
Broomfield	Heckler, Mass.	Udall
Brown, Calif.	Leggett	Ullman
Button	McMillan	Vander Jagt
Clawson, Del	Miller, Calif.	Willis
Cohelan	Morris, N. Mex.	Wilson,
Curtis	Multer	Charles H.
Daddario	Murphy, N.Y.	Wolff
Diggs	O'Hara, Mich.	Wyatt
Edwards, Ala.	Pike	

The SPEAKER. On this rollcall, 389 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CONFERENCE REPORT ON H.R. 9547—INTER-AMERICAN DEVELOPMENT BANK ACT AMENDMENTS OF 1967

Mr. PATMAN submitted the following conference report and statement on the bill (H.R. 9547) to amend the Inter-American Development Bank Act to authorize the United States to participate in an increase in the resources of the Fund for Special Operations of the Inter-American Development Bank, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 641)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 9547) to amend the Inter-American Development Bank Act to authorize the United States to participate in an increase in the resources of the Fund for Special Operations of the Inter-American Development Bank, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That the Inter-American Development Bank Act (22 U.S.C. 283–283k) is amended by adding at the end thereof the following new section:

" 'SEC. 15. (a) The United States Governor of the Bank is hereby authorized to vote in favor of the resolution entitled "Increase of $1,200,000,000 in Resources of Fund for Special Operations" proposed by the Governors at their annual meeting in April 1967 and now pending before the Board of Governors of the Bank. Upon the adoption of such resolution, the United States Governor is authorized to agree, on behalf of the United States, to pay to the Fund for Special Operations of the Bank the sum of $900,000,000, in accordance with and subject to the terms and conditions of such resolution, and subject to the further condition that in consideration of the United States balance-of-payments deficit any local cost financing, by project or otherwise, with the funds authorized under this section be held to the minimum possible level. The United States Governor is also authorized to vote in favor of the amendment to Annex C of the agreement, now pending before the Board of Governors of the Bank, to modify the procedure employed in the election of Executive Directors.

" '(b) There is hereby authorized to be appropriated without fiscal year limitation, for the United States share in the increase in the resources of the Fund for Special Operations of the Bank, the sum of $900,000,000.

" '(c) The voting power of the United States shall be exercised for the purpose of disapproving any loan which might assist the recipient country directly or indirectly to acquire sophisticated or heavy military equipment.' "

And the Senate agree to the same.

WRIGHT PATMAN,
BILL BARRETT,
LEONOR K. SULLIVAN,
HENRY S. REUSS,
THOMAS L. ASHLEY,
WILLIAM B. WIDNALL,
SEYMOUR HALPERN,
ALBERT W. JOHNSON,
Managers on the Part of the House.

J. W. FULBRIGHT,
JOHN SPARKMAN,
MIKE MANSFIELD,
B. B. HICKENLOOPER,
GEORGE D. AIKEN,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 9547) to amend the Inter-American Development Bank Act to authorize the United States to participate in an increase in the resources of the Fund for Special Operations of the Inter-American Development Bank, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate struck out all of the House bill after the enacting clause and inserted a substitute amendment. The committee of conference has agreed to a substitute for both the House bill and the Senate amendment. The following statement explains the differences between the House bill and the substitute agreed to in conference.

The House bill contained a provision not included in the Senate amendment directing the Secretary of the Treasury to instruct the United States Executive Director of the Inter-American Development Bank to propose the establishment of a program of selective

but continuing independent and comprehensive audit of the Bank, with the scope of the audit and the auditing and reporting standards being prepared for the Secretary of the Treasury by the Comptroller General, who would periodically review the audit reports and report to the Secretary of the Treasury and the Congress any suggestions he might have to improve the scope of the audit or the auditing and reporting standards used. The conference substitute omits this provision.

In the judgment of some of the Managers on the part of the House, an end-use review procedure of this kind, once adopted by the Bank, would have inured to the benefit of the Bank in accomplishing the ends of economic development for Latin America. The action of the Managers on the part of the House in receding on this provision should not be taken as a diminution in the concern of the Congress with respect to the efficacy of the Bank's operations; and it is hoped that the United States representatives to the Bank will urge the Bank to review existing procedures to insure that the Bank is obtaining maximum value in its expenditure of funds.

The House bill and the Senate amendment both contained a provision authorizing the United States Governor of the Inter-American Development Bank to vote in favor of the pending resolution entitled "Increase of $1,200,000,000 in Resources of Fund for Special Operations," and (upon the adoption of such resolution) to agree on behalf of the United States to pay to the Bank's Fund for Special Operations the sum of $900,000,000 in accordance with such resolution. The House bill made the payment of $900,000,000 subject to the further condition (not imposed by the Senate amendment) that in consideration of the United States balance-of-payments deficit any local cost financing with the funds so authorized be held to the minimum possible level. The conference substitute contains the House provision.

The Senate amendment contained a provision not included in the House bill directing that the United States voting power in the Bank be exercised to disapprove any loan which might assist the recipient country directly or indirectly in acquiring sophisticated or heavy military equipment. The conference substitute contains the Senate provision.

WRIGHT PATMAN,
BILL BARRETT,
LEONOR K. SULLIVAN,
HENRY S. REUSS,
THOMAS L. ASHLEY,
WILLIAM B. WIDNALL,
SEYMOUR HALPERN,
ALBERT W. JOHNSON,
Managers on the Part of the House.

AMENDING THE AUTHORIZING LEGISLATION OF THE SMALL BUSINESS ADMINISTRATION

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1862) to amend the authorizing legislation of the Small Business Administration, and for other purposes, with amendments of the House thereto, insist upon the House amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. PATMAN, MULTER, BARRETT, Mrs. SULLIVAN, and Messrs. REUSS, ASHLEY, WIDNALL, BROCK, and BROWN of Michigan.

VIETNAM

(Mr. POOL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. POOL. Mr. Speaker, the American Forces in Vietnam have shown fine spirit and morale. I believe it is high time the American people joined ranks in support of the wonderful efforts of our fighting men. Let us put criticism of the war aside and renew the spirit of 1776.

We need to adopt once again the spirit of Patrick Henry when he chose liberty or death, the spirit of Lincoln at Gettysburg, the spirit of Teddy Roosevelt as he led his Rough Riders over San Juan Hill, the spirit of Sergeant York in France during World War I, the spirit of Colin Kelly in World War II, the spirit that prevailed on Pork Chop Hill in the Korean conflict.

I can guarantee you our troops in Vietnam have that spirit. General Westmoreland has reported to the Nation that the morale of American troops in battle has never been better throughout the history of our country. Capt. Bill Carpenter is one well-known hero of the Vietnam conflict, but there are hundreds of enlisted men and officers who have displayed equal courage and heroism. All Americans should be proud of these efforts of our fighting men to preserve freedom and liberty—and all Americans should stand behind our Nation's policy of resisting Communist aggression in Southeast Asia.

SUPPORT PRESIDENT JOHNSON IN VIETNAM

(Mr. PUCINSKI asked and was given permission to address the House for 1 minute.)

Mr. PUCINSKI. Mr. Speaker, I want to join in the remarks of the previous speaker who discussed the fact that the morale of our troops in Vietnam is very high.

I think it is very important that the American people realize that as of now, the cost of Communist aggression in South Vietnam is going to start going up. We have been in South Vietnam and North Vietnam roughly 24 months. When we got there after the Tonkin Bay incident, Saigon Harbor was hopelessly blocked and ships were sitting in the harbor for 5 and 6 months unable to be unloaded. The whole logistical situation was simply impossible to wage any effective war against the Communists.

But in the last 24 months our American troops have done a monumental job. They have built Cam Ranh Bay and they have opened up communications and supply lines. Today our troops are waging a victorious war.

I think it is important to realize that the Communists have not won a single major battle in the last year. It is safe to predict that from now on, their losses will increase substantially and their ability to hold out will decrease markedly.

I think at this time, now when the President of the United States is carrying this battle victoriously to the Communists, it is time for all Americans to pull together and get behind the President and recognize the fact that the only way we are going to get our boys out of Vietnam, is by winning, and that is being done by our troops and I think they need our full support.

APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1967, AND AMENDMENTS TO THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

Mr. JONES of Alabama. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 602) to revise and extend the Appalachian Regional Development Act of 1965, and to amend title V of the Public Works and Economic Development Act of 1965.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, S. 602, with Mr. PRICE of Illinois in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, it had agreed that title I of the committee substitute, ending on page 56, line 9, be considered as read and open to amendment at any point.

Are there any amendments to title I?

AMENDMENT OFFERED BY MR. CRAMER

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAMER: On page 55, line 3, strike out "$220,000,000" and insert in lieu thereof "$170,000,000".

The CHAIRMAN. The gentleman from Florida is recognized for 5 minutes in support of his amendment.

Mr. CRAMER. Mr. Chairman, this is a simple amendment. It would strike $50 million from the authorized $220 million for additional authorizations for nonhighway programs. How is this reduction in authorization justified? It does not touch highway authorizations. It has nothing to do with the $1,015,000,000 authorized for highway construction. It deals only with programs other than highways in Appalachia, meaning such programs as those for health facilities, soil conservation, timber development, mine restoration, water resources, a new housing section, vocational education, sewage treatment, supplemental grants, and administrative expenditures of the districts.

Why is this $50 million reduction offered? What is the reason for it? Why the amount?

Let me say at the outset that if we want to start practicing economy, this is the way to do it. This morning I read in the newspaper that some members of the Committee on Ways and Means said that they are not even going to give consideration to tax-increase legislation until Congress shows its good faith intent to reduce spending. It is my belief that if we reduce spending where it is

possible to reduce it—and it certainly is here—we can avoid the necessity of increased taxes from the American taxpayer, at a time when I personally believe that to impose those taxes would result possibly in throwing us into a recessionary spiral. This is not the time for increases, when spending cuts is a logical answer.

Why is $50 million offered as an amount for the cut? I am the first to admit that approximately $54 million—$53.6 million—was cut by the committee from the amounts authorized in the Senate-passed bill, but there was still too much fat in it, and there is still too much fat in it.

This cut would, in fact, affect fiscal year 1969 funding rather than that for 1968, in that the Congress is in the budgetary process now, and the administration is asking for $64 million this year for Appalachia. I repeat, $64 million. If the proposed cut is not made, there will be $155 million available for the fiscal year 1969 for the same programs for which they are asking only $64 million this year. It does not make any sense to provide almost three times as much in the fiscal year 1969 as we are providing, as requested in the budget, in fiscal year 1968. My amendment is a reasonable cut. We are giving them over twice as much in fiscal year 1969 as in fiscal year 1968. The amendment would reduce the amount so that there would be enough available in the fiscal year 1969 to equal the $64 million that is requested this year in the budget plus an amount equal—and this is for 1969—to that plus the $42 million carryover.

So for the next year they will have over $100 million for these supplementary Appalachian programs outside of highways. This is ample, unless, of course, we want to do as apparently some want to do, and in an election year—and this would be an election year—give away a great deal of money. They just also happen to be turning all this money to the President, which is an entirely new procedure. The money now is going to the agencies. The highway money goes to the Department of Transportation, for instance. But now they want to give it to the President. All the funds for these other programs now are going to the administrative agency, but in this bill they want to give them to the President. It just happens that fiscal year 1969, as I said before, covers the election year period. There will be about $100 million, if this amendment carries, available for expenditures in fiscal year 1969, which starts July 1, 1968.

The amount in my amendment is a reasonable amount. Every Member on the floor of the House, even if he is in the Appalachian region, can conscientiously and conscionably vote for this amendment. There is in this bill a total of $936.7 million, of which $396.7 million is new authorization. My amendment is a mere $50 million cut. This is a mere $50 million of the $936.67 million authorization.

I think it is a reasonable approach, I think it is a logical approach. I do not think it is going to gut any program. The say-so as to where cuts will come in the individual programs under this amendment is up to the administering agencies, where it should be.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. CRAMER was allowed to proceed for an additional minute.)

Mr. CRAMER. The agency administering the program, and the Appalachian Regional Commission itself will be given the responsibility of deciding what programs it wants to give high priority to, and which it can cut. It can certainly be cut, because the Committee on Public Works, itself, added money to a number of these programs. Vocational education is one of them.

The administration and the Appropriations Committees—the committee of this House and the committee of the Senate—can make the determination as to where the cuts should be. This is the way it should be. Let them look over the program. Let them decide where the reasonable cuts ought to be made. They will make the cuts. That is the way it should be done.

I am offering this in lieu of amendments to the specific amounts, because I think this is the proper management way to do it.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield for the purpose of a question?

Mr. CRAMER. Yes, I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, I believe I understood the gentleman to say the effect of this amendment would be to cut $50 million and to put the money in the agencies instead of with the President. Did I misunderstand the gentleman on that point?

Mr. CRAMER. The gentleman did misunderstand me, Mr. Chairman. Our side has an amendment to be offered at a later hour dealing with that subject matter.

Mr. EDMONDSON. Mr. Chairman, I thank the gentleman.

Mr. CRAMER. This merely deals with the amount of money.

Mr. EDMONDSON. I thank the gentleman for that clarification.

Mr. CRAMER. If we want to start cutting, this is the place to start cutting, at this point.

Mr. SCHWENGEL. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Iowa.

Mr. SCHWENGEL. Mr. Chairman, if the gentleman's amendment is adopted, the program for the roads will not be curtailed one iota over the plans that are envisaged in the legislation?

Mr. CRAMER. The gentleman is correct. The reduction does not deal with highways, but rather with the balance of the program which is the $220 million which would be authorized for that purpose.

(Mr. JONES of Alabama asked and was given permission to revise and extend his remarks.)

Mr. JONES of Alabama. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the pending amendment will mean that $50 million will be cut from the activities and programs that are now being utilized. In the course of the committee's consideration of this bill, we cut the health amounts, set by the Senate at $70 million, down to $50 million; the timber development we reduced $3 million; mine restoration, $9 million. Vocational education was the only item, the single item in the program that we increased.

That increase was from $18 million to $26 million.

For supplemental grants we cut $26 million.

We cut $500,000 from the cultural program and $3 million from the land development program.

We have been very careful in seeing that the amounts were compatible with the outstanding unobligated amounts that have been carried forward.

The gentleman from Florida makes great moment of the fact that all the funds which have heretofore been authorized and appropriated have not been fully employed. Of course, it does take time for these communities, which are handicapped for lack of organization, to petition to the States and to the Commission and to the Congress for these various types of programs until they are all in the pipeline.

This is based upon the expectation that when the programs are submitted the funds will be available for commitment and for utilization.

It would seem to me that we should not say to these communities, which have gone to tremendous expense and great effort, "No, we do not have sufficient funds to do what we thought we would do for you."

There was not a single bit of evidence presented to the committee to warrant that type of change.

Let us see what we are doing in the Appalachian areas. In the health programs we are trying to establish community health facilities. There will be land treatment programs, timber development, mining area restoration, water resources survey, vocational education, sewage treatment works, and supplemental grants for other types of programs.

It seems to me that if we were to make an indiscriminate cut in the total amount this would not rationalize with the amendment and its necessity, because it would not single out where the cuts should be made. I do not believe that a blanket approach is very wise or very prudent for Congress to adopt in the practice of considering programs and their relationship to the total objective sought by this legislation.

These are needed programs. These are the programs which have been established by the State commissions, by the Governors and the local communities, who have presented to the Congress their urgency and their great need.

I hope, Mr. Chairman, that the amendment will not be accepted.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the distinguished gentleman from Kentucky.

Mr. CARTER. I happen to live in the Appalachian area, and I have observed

this program very carefully. This program has helped my district a great deal, and has been very important in respect to establishment of vocational schools. They have been providing training and education for those who are untrained and unable to work. It has meant much to them. In some classes of teaching in these schools 100 percent of the people have gone immediately into industry to employment. In all cases at least 80 percent of those who go to these schools are later employed.

This has meant much to my part of Appalachia, and certainly I should hate to see a cut made.

I thank the gentleman from Alabama for his excellent statement.

Mr. MOORE. Mr. Chairman, I rise in opposition to the amendment to reduce funds for the Appalachia Regional Development Act by $50 million.

I regret very much to take issue with my distinguished colleague; he is certainly well oriented with respect to the Appalachia Regional Development Act and I am sure has strong feelings on this matter.

I feel very strongly that we have to make a decision in this Congress as to whether we are going to be consistent, or the least bit consistent, with respect to our concern for some of the problem areas of the country.

I think it is generally known in this body by those who have served here for any period of time that I was primarily responsible for the defeat of the area redevelopment program. I make no apology for this act on my part. In concert with a number of individuals who were disenchanted with the program, I organized a sufficient number of opposition votes from among those who had previously supported the legislation—particularly from the areas that were supposedly the beneficiaries of the Area Redevelopment Act. At that time, the debate in this body took this particular turn. It was suggested that the program was not a good one for the country because it did not help the disadvantaged areas economically and it made its funds available on a 50-State basis rather than making itself fully and effectively felt in the areas of greatest need.

As a result of that action, I like to think that we played and perhaps this Member in particular played a great part in giving birth to the theory of regional development to the disadvantaged areas of our country and particularly in fathering the Appalachia Development Act. It was felt at that time and I reassert that position here today that the Nation would have to engage in a rifle approach with respect to the difficulties that existed in the problem areas of the country.

The area of Appalachia generally was referred to as an area which was experiencing economic, educational, social and cultural underdevelopment. That it was in fact a depressed area of our Nation in every sense of the word. Granted that part of its problems were a direct result of the failure of the various States to provide leadership in solving the problems from within, it was widely advertised as an area of our country suffering from economic, educational, social and cultural blight. It was used as an example widely throughout the Nation as an area of great need for which a legitimate function of the Federal Government would permit the utilization of Federal dollars to bring about a general rebirth of opportunity in the areas and States involved.

I believe at the time we enacted the Appalachia Redevelopment Act that it had merit. I believe that it has merit today. I cannot conceive that this legislation would do violence to any constitutional concept much less destroy the sovereignty of the individual States. The reason for my observations in this regard is that I recognize as much as anybody in this Chamber recognizes that the primary responsibility to lead this area of the country out of its difficulties is basically the responsibility of the States themselves. But wherein the State has failed to provide the leadership, then I believe under our Constitution, the Federal Government has a secondary responsibility to move in and to do the job in order to remove any area of economic, educational, social and cultural blight as it might exist in the country. In other words, where the States have failed and where blighted areas such as Appalachia exist, the secondary responsibility, my friends, falls to us in the Federal Government to provide the wherewithal and the leadership to move the area forward.

If we do not do it or if we fail to fund this program as envisioned by the committee recommendations, and if we fail to follow through and see that this particular program works—if we do anything that materially reduces or destroys the effectiveness of the program, then I believe you might as well consider, once and for all, the inclusion of this part of the United States in the general category of being the No. 1 welfare area of the country.

Mr. Chairman, the Federal Government has moved in many areas in a geographic way to aid in its growth and progress the vast areas of the West where development was encouraged by the Federal Government and by Federal tax dollars. The reclamation programs that seek to take arid land and make it producing land have done so under several Federal programs; the difficulty of the State of California in not having sufficient water—as well as the Southwest generally—is a case in point. Water was brought to the areas under an assortment of Federal programs and legislative enactments. The farmers of this Nation were in trouble; Federal dollars were used to encourage them and even until today are used to subsidize them and their products. The tremendous investment made by the Federal Government in the Tennessee Valley Authority is another example of the Federal Government moving in with Federal tax dollars to help advance the progress of an area of our country. A further example could be enumerated in this debate wherein certain areas of our country have benefited from various Federal spending programs. Very little is available to the area of Appalachia in the public works appropriation bill passed so very recently by this House, and if I might use a particular case in point—in the military authorization bill, not only this year, but for the last 8 years, my State of West Virginia has not received one dime of military construction funds while a large majority of those States whose Representatives today oppose this legislation are the beneficiaries not only of those two suggested legislative enactments, but who share tremendously in the defense spending dollar, whereas my State and Appalachia generally have very little if any share in the defense dollar that is spent in America today.

Mr. Chairman, it seems to me that the suggested amendment would materially hamper the operation of the program in particular areas which are of the utmost importance. Areas concerning sewage treatment facilities, mine area restoration, vocational education facilities and many others. Therefore, I urge the defeat of this amendment. I happen to believe that if we want to do something for the disadvantaged areas of our country that we should do everything possible to strengthen and to materially add to the tools now available to the States and areas of Appalachia so that they can, with the aid of the Federal tax dollar, seize this opportunity to exercise the responsibility which has been theirs, but until now which they have neglected.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield to me?

Mr. MOORE. I am glad to yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I thank the gentleman for yielding. I want to commend him for a very fine statement and also for the consistent record he has made in this House as a supporter of the Appalachian Regional Development Act and adequate funding for it. One of the inherent evils of the amendment pending before us is that the amendment does not identify the areas in which they propose to put this $50 million cut. Under the amendment as it has been presented to us and argued by the gentleman from Florida, the entire $50 million could be put into vocational education, or the entire $50 million could be put into a field such as water pollution control. In fact, when you go through the grant-in-aid programs that are supposed to be funded by this authorization, can the gentleman identify any of them in which the Appalachian region is not deficient in its funding and in need of additional funding at this time?

Mr. MOORE. May I say that I cannot. May I say that the Appalachian region has a tremendous challenge in all areas which this amendment touches.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

(Mr. MOORE, by unanimous consent, was allowed to proceed for 3 additional minutes.)

Mr. FARBSTEIN. Mr. Chairman, will the gentleman yield to me at this point?

Mr. MOORE. I would prefer that the gentleman from New York permit me to finish my comment, following the remarks of the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. Chairman, we are not going to be able to rebuild these disadvantaged areas—and they are disadvantaged

areas; they are areas of economic and educational as well as social blight, brought about by, as I say, the lack of leadership in the States themselves but, nevertheless, if we are to follow the tenor of this amendment, it would be possible for this $50 mililon which has been proposed to be cut here, to come entirely from any one single program contained in this overall program. The language of the amendment does not limit itself to any one particular program. However, its adoption could very much prejudice, for instance, the area of vocational education as well as the sewage treatment plant facilities, and so on down the line.

Mr. FARBSTEIN. Mr. Chairman, will the gentleman yield?

Mr. MOORE. I am happy to yield to the gentleman from New York.

Mr. FARBSTEIN. I would like for the gentleman from West Virginia to know that I favor the bill as presently drawn and that I oppose the amendment which has been offered to delete this sum of money.

It is my further opinion that the gentleman from West Virginia has made a very appealing case in opposition to the amendment.

However, I would like to know if the gentleman from West Virginia would be good enough to apply the statements which the gentleman has made insofar as they affect the depressed areas of the cities, the riot-torn cities, the areas of frustration and other places that breed all of those things that we abhor?

I am sure the gentleman from West Virginia is aware of this situation that exists in the pockets of poverty throughout the cities which have been the real reason for the difficulties that we have encountered—some of them that we have already experienced and which we may continue to experience. I would like to have the comments of the gentleman from West Virginia upon that situation.

Mr. MOORE. I thank the gentleman from New York for his support.

Mr. Chairman, I urge the defeat of the amendment.

Mr. DENNEY. Mr. Chairman, I rise in support of the amendment.

(Mr. DENNEY asked and was given permission to revise and extend his remarks.)

Mr. CRAMER. Mr. Chairman, will the gentleman yield in order for me to answer some of the questions raised by the previous colloquy?

Mr. DENNEY. I shall be very happy to yield to the distinguished gentleman from Florida.

Mr. CRAMER. Mr. Chairman, the gentleman from Oklahoma [Mr. EDMONDSON] has made considerable out of States' rights, and I compliment the gentleman. I, naturally, am a States' Righter myself. I am interested in the various rights of the States.

Mr. Chairman, what this amendment proposes to do, if adopted, is to leave with those States and the members of this Commission, the decision where they think the expenditures could be more wisely made, instead of being dictated to by the Congress of the United States, and instead of the Congress dictating to them where they should apply the expenditure of these funds.

Mr. Chairman, the purpose of the amendment is designed to permit the Commission itself to make this decision as to where the cuts should be made.

We are being dishonest in the consideration of this bill, in my opinion, in authorizing $220 million, when we know full well that there was only appropriated this last year $59.35 million. However, when we note that the President only asked for fiscal year 1968 the sum of $64.2 million, and yet we have an authorization of $220 million for fiscal years 1968 and 1969; thus it leaves $156 million to be appropriated in fiscal year 1969. We appropriated an average of $55 million over the last 2 years, but yet they are asking for $64 million this year. Congress, everytime, has cut the President's request.

So that there is not any question in my mind but with the budgetary problems we have in 1968 and obviously will have in 1969, that we are offering false hopes, yes, to the gentleman from West Virginia and his great State, and to the gentleman from Kentucky who just spoke, and his great State. Yes, in the Appalachian region we are offering false hopes. We know that we are going to authorize all this money knowing full well it is not going to be appropriated.

Mr. Chairman, I say let us for once be honest, and cut down this bill to a figure that makes sense, and one that is reasonable, knowing full well we are not going to triple the program in fiscal year 1969.

Will the gentleman yield so that I can make just one further comment?

Mr. DENNEY. I yield to the gentleman from Florida.

Mr. CRAMER. That is to the effect that the amendment will have on the bill—somebody said we could spend all the funds for sewage treatment. There is a $6 million maximum limitation in the bill. There are maximum expenditure limitations on every item. It is not a minimum, it is the maximum.

So we could not possibly spend, out of what is left out of the $50 million, more than $6 million, for sewage treatment, and the amounts written in to limit all the other programs.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. DENNEY. I will be glad to yield to the distinguished chairman of the subcommittee.

Mr. JONES of Alabama. Mr. Chairman, I thank the gentleman for yielding.

The gentleman from Florida says this is a dishonest approach. I do not see how anybody could suggest that this is a dishonest approach because the committee acted upon the recommendations of the Governors. The Governors of the States submitted their requirements; we took them into account; and wrote a bill in keeping with their needs.

Mr. Chairman, will the gentleman yield further?

Mr. DENNEY. I yield further to the distinguished subcommittee chairman.

Mr. JONES of Alabama. To come here and say that the Congress next year or the following year is not going to make appropriations is not a matter for us to decide here today. Our decision should be based upon the testimony of the required needs and the programs that have been accepted by four Republican Governors, and eight Democratic Governors.

Does the gentleman believe that the Governor of the State of New York made a dishonest estimate of the needs of his State?

Does the gentleman believe that Governor Rhodes of Ohio made a dishonest accounting to the committee for his needs?

Does the gentleman believe that the other two Republican Governors in submitting their recommendations to the committee were dishonest?

Mr. Chairman, we are here today to try to write a bill based upon the needs and requirements of the several States involved.

Mr. CRAMER. Mr. Chairman, will the gentleman yield further?

Mr. DENNEY. I yield to the gentleman from Florida.

Mr. CRAMER. I do not want to take up all of the gentleman's time, but $53 million is authorized for the next 2 years in excess of what was appropriated over the last 2 years. This is offering a false hope. They are hoping next year's authorization will be three times what we are appropriating this year.

I say this is offering false hopes to these Governors who submitted what they said was needed, but it is wrong to believe those people are going to get that kind of money when they are not.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. DENNEY. Mr. Chairman, I would just like to say that I appreciate the attention the Members have given to the words that I have not as yet spoken.

(Mr. DENNEY (at the request of Mr. CRAMER) was allowed to proceed for an additional 2 minutes.)

Mr. DENNEY. I thank the gentleman.

Mr. Chairman, I feel it is time for Congress to put a halt to the present administration requesting authorizations for appropriations for huge amounts of money for widely specialized programs, and then when the chips are down they come in and ask for appropriations to fund those programs for substantially lesser amounts.

Mr. Chairman, there are many things wrong with this type of approach. I would like to point out two of them.

As the gentleman from Florida said, one is falsely raised hopes. Second, congressional legislative committees have the responsibility to insure the amounts authorized for a particular program and have a reasonable relationship to the expected costs of that program.

Mr. Chairman, I have arrived at one or two conclusions on this situation; either that the President has no intention of asking for full funding of these programs, or he plans to launch a hugely expanded spending program in a year that, interestingly enough, happens to be a presidential election year.

It seems to me that the good faith of all your people back in our respective districts require that we demand efficient operation of the program, and we should see that the level of commitments for the fiscal year 1969 be comparable to that which the budget request of the President

indicates will be undertaken during fiscal year 1968.

The CHAIRMAN. The time of the gentleman has expired.

Mr. EDMONDSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think the gentleman from Nebraska in his remarks, just concluded, very, very accurately and very, very honestly, stated that our responsibility is to authorize at a figure that reasonably approximates the cost of a program.

The figure we have in this bill is a figure that reflects the best information and evidence that we can get as to what the cost would be. That is the level we are trying to establish by authorization, to do the adequate job that we want to do with regard to these particular grant-in-aid programs.

Is it our responsibility to try to estimate what that cost is going to be and to authorize that cost? Or do we bear the responsibility, which apparently the gentleman from Florida believes that we do bear, to make an authorization that is going to anticipate what the appropriation will be?

I say to you, consistently the role of the Committee on Public Works down through the years dealing with all types of projects and all types of programs has been to estimate, as the gentleman from Nebraska said, what the cost of a program would be, and what we should set as an authorization level for the program.

This is what we are trying to do when we authorize for the various basin projects. This is what we are trying to do when we authorize flood control projects and when we authorize beach erosion projects. That is what we have done. But in this instance the gentleman from Florida is asking for an entirely different yardstick.

Mr. DENNEY. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I am glad to yield to the gentleman.

Mr. DENNEY. Is it not true that it is also our responsibility to authorize the amount of funds that the American taxpayers can afford to pay in the event the authorized funds are appropriated?

Mr. EDMONDSON. Of course, we have to keep in mind continuously the ability of the Government to finance these different things. This is a factor that is considered by the Committee on Appropriations and by the Congress when it acts on appropriations—just as it is considered by the committees that deal with the authorizations.

But in this instance it should be clearly borne in mind that we do not offer a false hope to a flood control project or to a beach erosion project or to a navigation project when we set an authorization figure that reflects the cost of that project. That is the responsibility of the Committee on Public Works. That is what we have uniformly endeavored to do in all of these projects. That is what we are trying to do with this particular program.

The gentleman from Florida may be entirely right in saying that we are not going to be able to appropriate this money in the year that it is authorized for in this bill in 1969, that is fiscal year 1969, and that our war needs may be such that we cannot appropriate up to that level.

But suppose that there is a successful conclusion of the Vietnam conflict? Suppose we do not have the heavy burden of the Vietnam war on our hands? That instead there are the problems of rehabilitation and readjustment following the termination of the war in Vietnam. We are anticipating that eventuality with this appropriation authorization in this bill.

I do not think it is unreasonable or unstatesmanlike for us or for the committee to set a figure that leaves flexibility in the Congress and in the Committee on Appropriations on this particular subject.

Mr. Chairman, I hope that this amendment will be defeated. I think this amendment strikes directly at justified authorization figures for health needs, educational needs, and for the various basic community facilities needs of Appalachia. I think it is a figure that reflects a reasonable approximation of what the costs are going to be, just as the gentleman from Nebraska said that it should.

Mr. Chairman, I hope that the committee report and recommendation will be supported and that the committee figure will be sustained and that the amendment will be defeated.

Mr. DENNEY. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman.

Mr. DENNEY. You and I are both from the Midwest. Do you not believe that in any Federal-State partnership program, which in effect this amounts to, that we should never hold out an open door to any segment of the country or to any classification of people other than to say that we stand ready and willing to help, but we are not going to take the entire load? Do you not believe that it is possible that if we would cut down on this authorization, the States involved would try to perform more self-help than they are now doing?

Mr. EDMONDSON. Obviously I do not agree with the gentleman in the instance of the amendment before us.

Mr. HAYS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-five Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 252]

Adair	Feighan	O'Hara, Mich.
Aspinall	Foley	Pirnie
Baring	Ford, Gerald R.	Riegle
Bell	Fuqua	Rivers
Blatnik	Goodell	Rumsfeld
Brademas	Green, Oreg.	St Germain
Broomfield	Grover	Saylor
Brown, Calif.	Hansen, Idaho	Sikes
Cederberg	Hansen, Wash.	Teague, Tex.
Celler	Hébert	Ullman
Clawson, Del	Irwin	Willis
Cohelan	McMillan	Wilson,
Conyers	Miller, Calif.	Charles H.
Daddario	Morris, N. Mex.	Wolff
Dent	Multer	Wyatt
Dorn	Murphy, N.Y.	
Edwards, Ala.	Nedzi	

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BOLLING) having assumed the chair, Mr. PRICE of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill S. 602, and finding itself without a quorum, he had directed the roll to be called, when 394 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. KEE].

Mr. KEE. Mr. Chairman, I repeat again that I rise in opposition to the amendment to reduce the $220 million by $50 million.

Mr. Chairman, the committee considered this very, very carefully. There has not been a single application filed for these benefits except those that came in from the States to request this financial aid, this financial assistance. I believe it is not entirely accurate to say that the people are being led down a blind alley, and that is what was said here before I asked for time.

If we should authorize the funds available and this House approves these funds on the authorization level, they still have to go to the Committee on Appropriations for the actual appropriations.

Mr. Chairman, I do not think it is fair to cut our people down after the long hard work they have put in to improve their conditions and working from the grassroots as they have.

Therefore, Mr. Chairman, I very strongly oppose the amendment offered by my distinguished colleague, the gentleman from Florida [Mr. CRAMER].

Mr. Chairman, I yield to the distinguished dean of the West Virginia delegation [Mr. STAGGERS].

Mr. STAGGERS. Mr. Chairman, I too rise in opposition to the amendment.

I wish to concur in the remarks of my colleague, the gentleman from West Virginia. I believe it would be inappropriate at this time to cut the funds for this program.

Mr. HAYS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not know whether to be for the amendment on the ground that it cuts some; or to be against it because it does not cut enough.

I do not know whether the amendment will cut out enough money—to take care of all the money that this Commission spends in their meetings.

I wonder if the gentleman from Alabama [Mr. JONES] knows where this Appalachia Commission meets?

Mr. JONES of Alabama. I do not have an accounting of the location of their meetings.

Mr. HAYS. Let me tell the gentleman, I could not get an accounting. I asked for one, but when this arrogant pipsqueak, Mr. Sweeney, was chairman, or Federal cochairman, I tried to call him on several occasions and I found that he was at a meeting of the Appalachia Commission. One time the meeting was in such a

poverty-stricken place like Sea Island, Ga. Another time they were helping the poor people at a place called Hot Springs, Va. I am told that they also went to such a pocket of poverty as Gatlinburg, Tenn., and also White Sulphur Springs, W. Va.

Now I do not know how much money they spend doing that and going to places like that, but it becomes pretty obvious that this Commission meets and they have met where they can talk about doing something for the poor.

Mr. JONES of Alabama. I am sure the Governors of the respective States paid for their own travel.

Mr. HAYS. Are you sure about that?

Mr. JONES of Alabama. I am not positive.

Mr. HAYS. I would not advise the gentleman to bet on that. He would probably find out and he would lose his money. I happen to know something about Governors of States.

These people keep fairly quiet where they meet. Newspapers being like they are, you would assume that you could find it so that you could read about it in the press.

If your committee met down at Sea Island, Ga., and you took them down there, I imagine it would make headlines; would it not?

Mr. JONES of Alabama. Yes; and I imagine not only the Commission would make headlines but I am sure quite a number of Members of Congress would make headlines if they made an accounting of the hostelries that they often visit.

Mr. HAYS. I assume they pay out of their own funds.

Mr. JONES of Alabama. I would assume that.

Mr. HAYS. Therefore, did this Commission pay their own expenses?

Mr. LANDRUM. Mr. Chairman, will the gentleman yield.

Mr. HAYS. I yield to the gentleman.

Mr. LANDRUM. I am aware, as the gentleman says, that the Appalachian Commission has met in Georgia and that they met at Jekyll Island and at Sea Island, Ga., and that they met there at the invitation of the former Governor of Georgia, Gov. Carl Sanders, to come down and be his guest.

Mr. HAYS. Did he pay for their fare down there and for their stay there or did he just invite them to come down to Sea Island?

You know I go down to Tennessee every once in a while to a horse sale and they invite you and send you a letter of invitation. Do you know how the invitation reads? It says, "Keep Tennessee green—bring money."

Did they send that kind of an invitation, or did they send the money?

Mr. LANDRUM. I do not know about that, but all I know, as the gentleman well knows, is that the Governor of Georgia is a member of this Commission.

Mr. HAYS. That is right.

Mr. LANDRUM. The Governor of each State is a member as well as the Governor of Ohio—and that might have something to do with the way the gentleman feels about this. Maybe the gentleman did not want the Governor of Ohio to go there.

Mr. HAYS. I think it would be nice—you know, this Commission is set up by Federal law. Mr. Sweeney's expenses obviously were paid out of some of the funds we are being asked to authorize, or rather some of the funds that we did authorize. I think it would be only fair if a Member of Congress asked for a list of the meeting places that they supply it. Do you know what Mr. Sweeney said to me? He said, "That is none of your business. You vote the money and we will handle the allocation of it. I do not know whether your committee has any oversight or not."

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I think the gentleman, however, should note the fact that the item we are talking about is the item for grants-in-aid for various programs like vocational training and like higher education facilities and things of that sort, and we are not talking about administrative expenses of the Commission now. We are talking about grants-in-aid.

Mr. HAYS. If the gentleman will let me have a minute of my own time, I understood this could be applied to any place they wanted to cut. If the gentleman will say to me that he will offer a substantial cut in administrative expenses, he might get me to vote for that amendment, and it is even possible I might consider voting for the bill. I think 75 or 80 percent of the area of my district is in Appalachia and 75 percent of the population, and the benefits that we have gotten out of Appalachia are negligible. They are talking about the highway program.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAYS. Mr. Chairman, I ask unanimous consent to proceed for an additional 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. ARENDS. Mr. Chairman, reserving the right to object——

Mr. HAYS. Go ahead and object.

Mr. ARENDS. I will not object. It is senseless, because the gentleman has already made the request. But I think there is some desire on the part of the Members to go ahead with this bill this afternoon, and I would hope in the future Members will limit themselves to the time allotted.

Mr. HAYS. I say to my distinguished friend that I have yielded more than half of my time to others, and I would like to shed a little light on this bill if it is possible.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. The point I wanted to make is that the administrative expenses item of the Commission is covered on page 32 of the bill, section 105(b), and the item we are talking about has to do with grants-in-aid.

Mr. HAYS. I am well aware of that. What are you trying to do, filibuster on my time?

Mr. EDMONDSON. The point I wish to make——

Mr. HAYS. I do not yield any further. I would like to say a few things about this bill. You talk about building highways. They are going to build a highway clear across the State of West Virginia, they say. Let me tell you about West Virginia and its highway program. They have 15 miles on Interstate 70, and that is the part of the Federal highway program which has been in effect lo these many years, and the biggest single bottleneck in the United States on any Federal highway is in West Virginia on that 15-mile stretch.

Why, they have not even had the ambition to come down to Washington with a bag and take home their 90 percent.

You had better get an Appalachian bill, because if they are going to build any highways, I promise you they will have to have all the money and then be paid to come and get it.

I know about West Virginia. I have been there lots of times. I am a neighbor to it. My mother came from there. I do not know whether they know the northern panhandle is part of the State or not. For 20 years or longer they have had a law providing that you cannot buy liquor by the drink, and there was not a bar, hotel, or restaurant in the whole northern panhandle that has not been selling it openly for 20 years.

It is not part of Ohio. It is not part of Pennsylvania. The map says it belongs to West Virginia. But they do not believe it.

You know, I would even vote for this Appalachian bill, bad as it is, if I felt they would build that 15 miles of Interstate 70. Why, they can get 90 percent of the money and the Appalachia bill would give them 10 percent for building. I will vote for the bill if you put that amendment in there.

They are going to build a road in Ohio. I got a letter. I asked them how much of it they built. Do you know what the story is on this big highway they are going to retread? They have 6 miles of it under plan. That is what they have done under Appalachia in Ohio.

Then they want to make everyone feel good and make sure I was for the bill. So they gave every school in my district some money. Every school in Appalachia got some money, all of them.

It figured out to about 50 cents a student. That is going to help them learn about poverty and how to beat it. I can send them some copies of the CONGRESSIONAL RECORD about Appalachia for nothing, and they will learn more than that.

I voted for these programs. I was one of the enthusiastic workers for the Appalachian program. I went to the meeting in Athens.

The CHAIRMAN. The time of the gentleman has expired.

PREFERENTIAL MOTION OFFERED BY MR. HAYS

Mr. HAYS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. HAYS moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The CHAIRMAN. The gentleman from Ohio is recognized for 5 minutes.

Mr. HAYS. Mr. Chairman, I know how to get time around here. I have not watched John Rankin and H. R. GROSS all these years for nothing.

As far as this, as I was saying, I was for this bill, I was for the program, because we needed something in Appalachia. This is like a lot of other programs we have voted for here in Congress. I have made the statement on the floor before, and I make it again. Congress does not pass too many bad laws. By the time a law goes through the committee, through the majority and minority, comes on the floor, goes through the amending process, and goes to the other body, we do not pass too many bad laws. But we sure get a lot of sorry administration downtown.

That is what has happened on this Appalachian program. The concept was all right. The idea was not bad. The program needed to be done. But it has not been administered very well.

I have no assurance that it is going to be administered any better in the future. I think probably the best way to wake up some of the bureaucrats is to cut the program off, fire them all, and then start all over.

I do not know whether it was a coincidence that the AID bill came up in the one week in the year when I had promised to take my little girl to the horse show, but it did. It only passed by eight votes. I will tell the Members something about AID. The only way we are going to cure that program is to kill it. Why do I say that? I voted for it for 18 years. I believed in the principle of it. But they have so many sorry people hanging on under civil service that they cannot get rid of, so the only way we can ever cure it, is to kill it, then a year later start it over, and then put in some people who will work.

Let us kill this one now. That is why I pulled this thing out of my pocket. I think this is the time to kill it, early in the game, and get some people in who will do something. I have no faith in the kind of administration it is getting, any more than I have faith in the Bureau of Public Roads.

Some idiot down there agreed to build a four-lane modern highway from Washington, D.C., to Breezewood, Pa., to funnel all that traffic on the overworked Pennsylvania Turnpike to New Stanton, the most dangerous segment of highway in the world for the traffic it is bearing. I do not mind the 85-cent toll. I would pay them twice that if the highway were safe to travel on, but it is the particular highway program which is run by this same committee, and it is here with Appalachia, that allowed them to do this thing. For 85 miles Interstate 70 goes over the Pennsylvania Turnpike, carrying additional heavy traffic added to all the traffic there is on that road. If any Members think that is not suicide alley, try to drive it some Sunday afternoon and see how many dead bodies there are in the 85 miles.

I do not know whether there is any cure for administration around here. I know when I tried to pass a bill—it did pass here, but it died in the other body—to put a selection-out system in the State Department, there were an awful lot of cries around here about how I was raping civil service. Civil service has about the same virtue around here, when we say the word, as "motherhood" and "maidenhood" have, but the acid test would come—and I have asked a lot of times for this body to do this—if all the people who shed so many tears over civil service, who really believe in it, would bring in a bill to put their office staffs under civil service. Are there any volunteers? I will tell you why there are not any volunteers. It is because if we had our offices staffed with typical civil service workers, we would not be here after the next election.

The New York Times said that I took on all the Government workers and called them a bunch of sloths. That word is not in my vocabulary, because it is too difficult to pronounce. What I did say, and I will repeat again, is that I paraphrased Churchill by saying—it is a bad paraphrase, but it is apt—"Never have I seen so many who did so little for so much money."

Of course, the Members would not be here if they had civil service workers in their offices, because their mail would not get answered, and their constituents would think they were not here, and they would want to send somebody down here who would answer the mail.

But we are entrusting these millions to these kinds of people, who tell Members of Congress, "Don't bother calling up here. You vote the money. We administer the bill."

I would not even mind that, I will tell the truth, for I wish I never had to call one of them. A Member of Congress would not have to call them if they did their jobs. We have to call them because they do not do their jobs, because somebody has put in an application and has not heard from them.

I hardly ever call them and ask them to approve an application. I just ask them to give me an answer. Try to get an answer from them.

Mr. WRIGHT. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, I take this time merely to try to put this into proper focus. I believe it is important for all of us to understand exactly what the Cramer amendment would affect and what it would not affect.

In the first place, all of us ought to understand clearly that the Cramer amendment has nothing whatsoever to do with administrative expenses.

I invite the attention of Members to page 32 of the bill, wherein the amounts for the administrative expenses of the Commission are clearly set forth and are limited by the terms of the bill to not more than $1.7 million for the 2-year fiscal period.

I further invite attention to page 54 of the bill, wherein is provided a further limitation applying to local administrative expense. None of these administrative expenses are involved in the item against which the Cramer amendment would apply.

The amount that is in question, the $220 million, is the guts of the bill. This is the amount the gentleman from Florida would cut.

He would cut it not 5 percent, and not 6 percent, as some of our friends on the other side of the aisle have been trying to do on most of the bills which has come up this year. He would cut the committee-approved figure by almost 25 percent. And this cut would apply not against administrative expenses as some of the discussion might indicate. It would apply against the very heart of the bill.

Mr. CLEVELAND. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. CLEVELAND. What is the question before the House?

The CHAIRMAN. The preferential motion offered by the gentleman from Ohio [Mr. HAYS].

Mr. WRIGHT. Mr. Chairman, that is not a point of order. I do not want to yield to that point, because I am discussing the mater which has a bearing on our vote.

The CHAIRMAN. The gentleman from Texas declines to yield.

Mr. CLEVELAND. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Texas yield for a parliamentary inquiry?

Mr. WRIGHT. Mr. Chairman, I do not believe I wish to yield for that kind of a parliamentary statement.

I am talking about what we are getting ready to vote on. That is what all of the Members want to know about.

Let me tell what would be cut. Vocational schools would be cut. That is what would be cut. Do the Members want to cut vocational education? Do they want to make it impossible for those who are disadvantaged in the area of Appalachia—yes, Ohio and West Virginia and those areas where they have not had an opportunity to pull themselves into the last third of the 20th century because they have not had an opportunity to train themselves—to go to school? If that is what the Members want to cut, that is what they are getting ready to cut. And they are getting ready to cut it by a meat axe approach.

The amendment would cut health centers, in a part of the United States where public health care is lower than in the rest of the country. Do the Members want to cut that money?

Let us understand exactly what we are asked to cut. That is the kind of thing we are asked to cut. If the Members vote for the amendment, that is what is going to be cut.

This will cut the program for reforestation in this area which has depended all through the years on forest products, where the growing and marketing and transporting of hardwood lumber no longer is viable in the economy.

Do the Members want to make it impossible for those people to pull themselves up by their bootstraps? If that is what they want to do, that is what they will do by cutting these items.

Let us understand that we are asked by the Cramer amendment to cut the program to help the marginal farmers. We are asked to cut the program to help those who want vocational education so that they can hold a job, in this day when the average industrial worker has to change his job 15 times in the course of his career and be reclaimed three times in the course of his career.

That is what would be cut. Let us understand what would be cut.

Aside from the highway program which is authorized in a separate section, we are asked to cut the real heart of the Appalachia program.

This amendment would cut it by a lopsided $50 million.

That is what is at issue here. Therefore, I urge you to vote down the preferential motion and the amendment.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. For the record, it should also be clear that this $50 million in the Cramer amendment comes on top of a $53 million cut already totaled against the items that go into this $220 million figure, which was a cut made in the committee itself. This brings the total cut in the Senate figure to over $100 million.

Mr. WRIGHT. The gentleman is absolutely correct. The House Committee on Public Works already has trimmed these figures by $53 million in order to accommodate the gentlemen on the other side of the aisle. We felt we made a good and reasonable and prudent cut. If this additional cut were voted that is recommended by the gentleman from Florida, it would amount to a $103 million cut below the amount voted by the other body. If that is what you want to do—that is, cut it by one-third in a meat-ax approach, cut the meat and potatoes of the program, then go ahead and vote for the Cramer amendment. But, do not make a mistake about it, that is what you are doing.

The CHAIRMAN. The question is on the preferential motion.

The question was taken; and on a division (demanded by Mr. JONES of Alabama) there were—ayes 78, noes 86.

Mr. ARENDS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. HAYS and Mr. JONES of Alabama.

The Committee again divided, and the tellers reported that there were—ayes 108, noes 118.

So the preferential motion was rejected.

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in today's Washington Post there appeared an article showing how many jobs today were dependent upon the war in Vietnam. It has been my view, and it is now, that the jobs should not have anything to do with the war in Vietnam, and that it is almost an insult to the American people to indicate that war should be considered in connection with jobs that it might create on a temporary basis.

Mr. Chairman, I believe it well at this point to just stop and think a little bit about what is pending before this Committee.

First, this is a cut in an authorization. Now, doubtless when the Committee on Appropriations does meet it will take into consideration the present state of the Treasury, the present conditions that we have in the fiscal area.

Mr. Chairman, I am on two subcommittees that deal directly with this subject. I say that since six counties are added to my district it has caused me to give more attention to the subject matter than heretofore. I also say that the debate which has occurred here on the floor has also given me an insight as to what we on the Committee on Appropriations should do in supervising the actions under this program.

But let me say this: Today there are two or three things that I believe are major trouble spots throughout the United States. One of them is in the cities. One of the major reasons offered by many people, although I believe perhaps the courts' actions have gone ahead of everything else, is the fact that through mechanization and through other actions we are having more and more rural people go to the cities untrained to carry on jobs in industry.

This cut would cut the authorization for such training.

There is another problem that we have, and that is the people leave rural areas and go to the cities when there is inadequate housing. This is the one area where there would be some chance to bring about an improvement in rural conditions which might cause people to stay in the rural areas.

Third, this is the one bill where the Governors of the States can have a say as to what comes into their States, and I say here and now that if there is a poor program in any State, the Governor of that State is responsible in that he has the right to approve what comes into his State, or in fact he has to refuse it.

Mr. Chairman, let us get down to brass tacks.

Mr. Chairman, I say candidly I have studied this problem and, as the Members know, I have sat on the Committee on Appropriations since 1943, and on the Subcommittee on Agricultural Appropriations, and I have had many of my colleagues from all over the United States come in and ask help for watershed treatment in their areas, asking for water loans in their areas, and I trust and hope our subcommittee has been fair to all of the United States.

I ask my friends, do you know that the request from the State of Florida alone for flood control will exceed the total amount of this bill? And we sit on that committee, and do our very best to help them. But because Appalachia does not have a harbor like Tampa, or like Jacksonville, or an inland waterway, or because the Appalachian area does not have a New York City Harbor or a San Francisco City Harbor, are we saying that this region of the country, with all the adverse circumstances this area has, is not to have any Federal program or Federal assistance notwithstanding that annually we appropriate any amount of money, almost, to handle the harbors of this country in those areas where they are so fortunate as to have them?

Let me point out to you here so that you will know, last year as a result of Federal appropriations which were for harbors and navigable streams being opened up, that 573 million tons of traffic were handled.

This area that we are referring to here has its problems as a matter of geography. It has its problems as a matter of time—because they have slipped behind.

It has problems because small farming is out—and it requires big acreage.

It has its problems because of a lack of adequate resources.

Now if you go further and penalize them, why just consider the work done on harbors, rivers, and navigation in areas from which many of our colleagues who are doing the speaking here today come from.

Remember again that this is an authorization. Are you going to lower the boom on what is possible? Let me give you a little homely illustration, if I may. Someone has said that if the war was over, we would have a real depression. That is not true, if we were smart enough to direct this extra effort into public works and efforts to develop our own country so that we would have a richer country. Keep in mind that this is an authorization.

I, for one, can assure you that I would give all I have to try to bring order out of chaos if it existed.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. HAYS. I would say to the gentleman that he has made a very persuasive speech as an enthusiast in favor of this bill, since he has his counties in it—as I was in the beginning when mine were in it—and I would feel exactly as the gentleman does now if I had not had the experience that I have had with the administration of this.

Mr. WHITTEN. I can appreciate the gentleman's feelings. I do not know of anybody in this Congress who is more candid. But I say that the answer is not in lowering the ceiling when it is not possible. The answer is in the control of the appropriation in the hearings rather than in lowering the ceiling. So I would say that I would defeat this amendment and assure the gentleman that I will do all I can to bring as much order out of chaos as possible.

Mr. HAYS. I appreciate the assurance of the gentleman. I think if he does that, and I am sure he will if he says he will, it will be very helpful.

Mr. WHITTEN. I certainly will.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. EDMONDSON. I think the gentleman from Mississippi has made a real

contribution in pointing out that where there are problems in connection with the administration of this program, you can go directly to the Governors of the States who are responsible for the handling of these problems.

Most of the Members of the Congress who represent districts in Appalachia are not only supporting this bill, but enthusiastically supporting it.

I do not think there is a single Member of the Congress including my good friend, the gentleman from Ohio, who came before our committee when we held public hearings to hear Members of Congress in connection with this who came in and testified against it.

To me, it is rather indicative, Mr. Chairman, that the Members of the Congress in the entire Appalachia area are supporting this bill.

Mr. WHITTEN. That is correct. Of course, I do not mean to say that we do not need to look into the administration of this program.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. CRAMER and Mr. JONES of Alabama.

The Committee divided, and the tellers reported that there were—ayes 102, noes 100.

So the amendment was agreed to.

Mr. HARVEY. Mr. Chairman, I move to strike the last word.

(Mr. HARVEY asked and was given permission to speak out of order and to revise and extend his remarks.)

Mr. HARVEY. Mr. Chairman, on August 29 of this year the Secretary of Housing and Urban Development made a statement on Republican opposition to the rent supplement and model cities appropriations. I was shocked to read this statement, for it was a bitter, partisan, and personal attack upon the minority leader, the gentleman from Michigan, the Honorable GERALD R. FORD. I was even more shocked to learn that the Secretary had mailed this statement in the form of a press release, at Government expense, all across America.

Mr. Chairman, those of my colleagues who served in the previous Congress know of my position on the rent supplement program. I served on the Housing Subcommittee which first reported out this novel approach to low-income housing. I first opposed the rent supplement program until the regulations under which it was administered were revised to make certain that the assistance it provided would go to truly low-income families. Since that time I have wholeheartedly supported the program.

But, Mr. Chairman, though I support this program with enthusiasm, I am the first to recognize that it is one on which reasonable people can disagree. There are persuasive arguments that can be made not only for the rent supplement program, but also for public housing and the proposed National Home Ownership Foundation as suggested by Senator PERCY, of Illinois.

I happen to believe that all three methods are useful and that the need for all of them is great. Secretary Weaver apparently believes that only the rent supplement program and public housing are the proper means. Our minority leader, JERRY FORD, believes that the proposed National Home Ownership Foundation is the best approach. I might say, however, that I have had several conversations with our minority leader relative to the great need for low-income housing which exists in America, and I have found him to have an open mind on the subject.

Needless to say, it serves no useful purpose for Secretary Weaver to call our minority leader "calloused to the housing needs of low-income citizens;" "an old enemy of legislation for decent housing"; nor one who has "turned his back to the problems of the urban American and poorer residents."

I might point out to Mr. Weaver that the citizens of Michigan's Fifth Congressional District have elected Mr. FORD on 10 consecutive occasions by tremendous margins, and he will not convince them that JERRY "is an enemy of the poor." I would further point out to the Secretary if he is looking for votes for the rent supplement and model cities program on the Republican side of the aisle, that he is using the wrong approach.

Mr. Chairman, I have high regard for Secretary Weaver. I believe he is an able man and dedicated to improving urban life in America. As a matter of fact, I was one who wrote to President Johnson urging Dr. Weaver's appointment as the first Secretary of Housing and Urban Development. But, Mr. Chairman, his statement on August 29 demeans his office, and as one of the supporters of both the rent supplement and model cities programs, I want to disassociate myself from its contents and make clear that I ascribe honorable and reasonable motives to my Republican and Democrat colleagues who on the last vote rejected one of these programs.

I intend to continue working for the adoption of these programs because I believe that they are necessary in the age in which we live, but I deplore such unfair and uncalled-for bitter, partisan, and personal attacks upon one of our most distinguished Members of Congress.

Mr. Chairman, I include at this point the complete press release by Robert C. Weaver which I have previously referred to:

REPUBLICAN OPPOSITION TO RENT SUPPLEMENTS AND MODEL CITIES APPROPRIATIONS, AUGUST 29, 1967

(Statement by Robert C. Weaver, Secretary, U.S. Department of Housing and Urban Development)

Again Representative Gerald R. Ford has repudiated aid for the poor and assistance to our cities. By continuing to lead Republican opposition to rent supplements he is callous to the housing needs of low-income Americans. By directing a feeble criticism against the administration of the Model Cities program and thereby attempting to justify opposition to it, he is again turning his back to the problems of urban America and its poorer residents.

Mr. Ford's current opposition to rent supplements places him not only in opposition to leading business, church, real estate, home building, and civic groups across the country. It also is directly against the stand taken by 10 Senate Republicans and the position expressed by Senator Dirksen.

Mr. Ford is an old enemy of legislation for decent housing and national assistance to orderly processes of urban development. During this session of Congress alone he has led the opposition to the recommendations of the House Appropriations Committee for reasonable financing of urban and housing programs enacted by the Congress. He also led the attack upon the request for a rat control bill.

Our poor need more housing.

Our cities need more assistance.

The urgency of these needs is clear.

The appropriations now before the Congress are a significant step toward meeting these needs.

I regret that Mr. Ford does not recognize these facts. For this is the time when we must support our troubled cities.

Mr. LAIRD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the tactics of the Department of Housing and Urban Development or some overzealous public relations officer in HUD in attacking the minority leader, by franking a press release to newspapers, radio and TV stations throughout the Nation, using this kind of public financing to attack the minority leader of the House of Representatives, is something which should be repulsive to all Members of Congress, whether they are Democrats or members of the minority party.

The time has come, it seems to me, when this Congress must exercise a much greater degree of legislative oversight over the executive agencies of our Government.

This kind of attack, which is the work of paid public information officers in this new Department, should not go unnoticed by the Government Operations Committee or by the House Appropriations Committee, because any one of us could be next in the attack by an executive agency, using the taxpayers' money to support their attacks.

I realize that this new agency probably has many extra public information officers, and they do not have much to do in these days, but it does seem to me that this Congress should immediately call the agency to task, should have them come up here to appear before the appropriate committee, to see how many of these were sent out and what the policy is going to be in the future.

This is a violation of the law. We have a prohibition in the Appropriation Act as well as in the basic statutes of this country so far as this kind of use of public funds and civil service employees is concerned.

I hope that this Congress will join, Democrats and Republicans alike, in seeing to it that the executive branch is not used for this kind of attack in the future, whether it be on a Republican or a Democrat.

This agency has overstepped the rules so far as this Member is concerned. I hope Democrats will join with me in this complaint.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I am happy to yield to the gentleman from Minnesota.

Mr. NELSEN. I should like to join in the observations which have been made today, and to add another.

I just read a press release that the REA Administrator was to make three speeches in the State of Wisconsin at fund raising dinners. This has traditionally been considered a violation, for the REA Administrator to be involved in partisan politics, and now he is out making speeches at fund raising dinners for the Democratic Party in the State of Wisconsin.

I also point out that the violations of the Hatch Act, of the Corrupt Practices Act, within the REA Administration have been covered up. Nothing has been done.

In my judgment this is another instance of improper use of a governmental agency for political reasons, for a program which has always begged for bipartisan support. It is now being used as a partisan arm in our administration, which I think is a violent mistake.

I thank the gentleman for yielding.

I wish also to advise this House that at a later date I intend to take a special order and that all details relative to the performance in the Rural Electrification Administration that I have referred to will be placed in the RECORD.

Mr. LAIRD. I thank the gentleman from Minnesota for his contribution, but I want to keep this compaint on the basis of the use of the executive agency's information officers, using the franking privilege of the executive agency and using civil service employees, to prepare these kinds of attacks on Members of the House of Representatives. This is not proper. It is a violation of the law. I believe it should be called to the attention of the proper committee, and I hope the proper committee will investigate this.

Mr. CLEVELAND. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I am happy to yield to the gentleman from New Hampshire.

Mr. CLEVELAND. I should like to add to the words of the gentleman from Wisconsin. The Secretary apparently is not even accurate in his attack, for he says in the same press release, in his attack on the gentleman from Michigan [Mr. GERALD R. FORD]:

> He also led the attack upon the request for a rat control bill.

I have just been advised by the gentleman from Michigan [Mr. HARVEY] that Congressman FORD was not even on the floor that day and had nothing to do with it.

Mr. LAIRD. That is correct. The Congressman was not even on the floor. He is also the author of the National Home Ownership Act, which is up for consideration in this 90th Congress. He has also supported the rent certificate program as an adjunct to the rent supplement program. His record is clear not only in the area of housing but as far as the fact that he was not here the day the Secretary referred to in his press release. But the purpose of my calling this to the attention of the Members of the House is that this could happen to anyone. The executive branch has some 17,000 public information and related personnel. Let us not turn them loose on the Congress of the United States.

Mr. ABERNETHY. Mr. Chairman, I move to strike the last word.

(Mr. ABERNETHY asked and was given permission to revise and extend his remarks.)

Mr. ABERNETHY. Mr. Chairman, northeast Mississippi is a natural part of the Appalachian terrain. The area is contiguous to the presently established Appalachian region and is largely undeveloped. It has historically relied upon a very minimum of basic industries, particularly agriculture which is marginal in character. Such has failed to provide an economic base essential to a sustaining and vigorous growth.

Northeast Mississippi is comparable in all respects—social, economic, geographical, topographical, and otherwise—to the southern part of the presently established Appalachian region. It is confronted with the same problems of development and growth. We place on the record with some hesitancy the fact that considerable poverty exists in northeast Mississippi; but it does and that is the reason we are here seeking to be included in this program. This does not mean, Mr. Chairman, that our people are not trying to do something for themselves, because they are. They are proud and industrious, working and hoping for a better day.

They have their own development foundations, all of which are spiritedly endeavoring to bring industry and a better agriculture to their respective communities. Progress is being made, but the area is lagging behind other sections. Many of the counties are losing population. Per capita income is lower than that of any group of counties now participating in the Appalachian program.

More than one-fifth of the entire population of Mississippi lives in this northeast depressed area.

Our State is pressing hard with a long-range program of economic development. Industry is growing within the State but not at a rate sufficient to meet the slack of unemployment. Reductions in cotton acreage have left thousands of our people unemployed. A rapid movement toward farm mechanization and the application of minimum wage to the agricultural enterprise has created further unemployment. New industries is growing up in the State and expansions are underway. We are encouraging industry to come our way, and much of it is coming in. However, this industrial growth is inadequate to meet our unemployment and low-income problems.

Our State has sponsored trade missions to both Europe and South America. These missions have resulted in the sale of millions of dollars worth of industrial products produced in the State. We are aggressively expanding our educational institutions and offering better opportunities to our youth. Although our sources of State revenues are the lowest in the Nation, we earmark a higher percentage of our revenue to education than any State in the Nation.

As I say, Mr. Chairman, we are not just sitting by, crying poverty and allowing the economy to fall of its own weight. The people of every community, every city, every county, and of the State itself are doing something to solve the economic problems which plague them.

We see an opportunity to further help our cause through the program of the Appalachian Act. We know that the northeast counties of our State are a natural part of the region; and, we know that our economic problems are identical to those of the region. Only an imaginary boundary line now separates us from the benefits of the program. My purpose here is to respectfully plead with you to remove that boundary and take us in.

For your consideration you can be assured of my everlasting gratitude and that of my people.

Mr. HAYS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I made a speech today about legislative oversight, and I heard the gentleman from Wisconsin talking about it. I had not intended to announce it until tomorrow or Monday, but as chairman of the Subcommittee on State Department Personnel and Foreign Operations, I am going to hold hearings. I do not think we can get to them next week, but certainly the week after next we will. The purpose will be to find out which members of the State Department, if any, and who they were, brainwashed people who have been to Vietnam. We want to find out what they did, because I think this is reprehensible if it is going on. It comes within the purview of my committee and the chairman of our full Committee on Foreign Affairs, the gentleman from Pennsylvania [Mr. MORGAN], has given me permission for these hearings. The first witness, I hope, by invitation—and I will extend him an invitation—will be the distinguished Governor of the State of Michigan. If he does not care to come, then I propose to subpena one Jonathan Moore, a former State Department employee, who now I understand is the staff writer for the Governor on foreign policy. I am going to get to the bottom of this brainwashing in one way or another, and if it is going on, we will put a stop to it.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman.

Mr. WAGGONNER. Is an invitation or a subpena going to to Catfish Mayfield to see whether or not he has brainwashed anybody? He has been escorting a prominent Governor lately.

Mr. HAYS. Let me say to the gentleman, No. 1, I am dead serious that we are going to have such hearings and I am going to invite the other members out there. No. 2, if Catfish Mayfield, whoever he is, was brainwashed by anybody in the State Department we will have him in, too.

Mr. JONES of Alabama. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to inform the Members here that we have a number of amendments. If we are going to go about our business with dispatch, we will have to have some limitation of time and will have to be relieved of trying these extraneous issues. The Committee well knows the limitation of time should be reasonable to the point where we can have a full and complete discussion of all the amendments presented to us, but I hope we can proceed with the business at hand.

AMENDMENT OFFERED BY MR. CRAMER

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAMER: On page 36, line 20, strike out "President" and insert in lieu thereof "Secretary of Transportation".

Mr. CRAMER. Mr. Chairman, this is a simple amendment also. I will do my best to expedite the proceedings. I will say to the gentleman I certainly want to dispose of these amendments. They are easily understood. I am hopeful we can get down to the business of doing so, and certainly we are in the position of wanting to do so. I will briefly explain what this amendment does. It is very simple. I discussed it previously in general debate. What it does is on page 36, strike the words "the President" and insert in lieu thereof the words "the Secretary of Transportation."

If my amendment is adopted, the money will go where it should go for highways—to the Secretary of Transportation.

Mr. Chairman, over $1 billion is contained in Appalachian legislation with which to construct highways in Appalachia. But this program is not really opening up new highways, for they are just rebuilding present highways. They are only improving the present highways.

Now, certainly, if there is any program that ought to be under the direct control of the Secretary of the Department of Transportation, a Secretary who is supposed to control all other highway matters, it is this Appalachian arterial highway system, which is the largest portion of the Appalachian regional development program and which represents the largest portion of the Appalachian development program money involved.

Mr. Chairman, all my amendment does is to keep the President of the United States from being injected from an administering standpoint into the budgetary procedures of this program which is provided for under the present law. My amendment would reinstate the procedure embodied in present law. The present law does not permit the President to make these decisions.

Mr. Chairman, I do not think the President has the time during which to make these decisions. I certainly hope that the President would not take time away from far more important and urgent problems of paramount importance to this country such as Vietnam, our balance-of-payments problems, these other issues which are significant and important to America, and would not waste his time with determining how a certain highway is going to be constructed in Appalachia.

Mr. Chairman, that is the rightful purpose of the Appalachian Regional Commission, the Department of Transportation, and the participating States.

This is especially true inasmuch as we have written all sorts of responsibilities into the authority contained under the jurisdiction of the Secretary of the Department of Transportation in this bill.

Mr. Chairman, I call the attention of the Members to page 34, line 16 of the bill, to line 16 on page 35 of the bill, and to line 9 on page 36 of the bill, all references relating to the Secretary of the Department of Transportation and to highways.

Mr. Chairman, when it comes to the money, who gets it under S. 602, as reported? The President does. However, under the present law as now contained on the statute books. the Secretary of the Department of Transportation receives it. He is the man that should receive it in the future.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I am glad to yield to the distinguished gentleman from Arizona.

(Mr. RHODES of Arizona asked and was given permission to revise and extend his remarks.)

Mr. RHODES of Arizona. Mr. Chairman, the gentleman from Florida refers to the fact that he is mystified at the change of the law by the insertion of the word "President."

I am mystified too. Can the gentleman from his vantage point as the ranking member of the Committee on Public Works of the House of Representatives tell the Committee of the Whole House on the State of the Union why this change was made and what is the reason for this rather strange language?

Mr. CRAMER. I refer the gentleman to the testimony of the Federal cochairman of the Appalachian Regional Commission, which testimony contains the only explanation as to why they are undertaking to do this. This is what they say:

The Senate bill provides, at page 28, for the appropriation of all funds to be under the administration of the President—

While the bill does not spell out the means for transferring it, the funds, to the agencies. There is not any provision contained herein for the President transferring appropriated funds to the administering agencies involved. It is nonetheless assumed that the President would subsequently transfer them for allocation to the Department of Transportation. Obviously, I add parenthetically, as the President sees fit. Unparenthetically, they say that this could go before separate subcommittees of the Committees on Appropriation relating to housing, as well as, for instance, vocational education.

I will say, in further answer to the interrogation which has been propounded by the gentleman from Arizona, that they require such requests to go before the respective subcommittees which deal with the basic current programs, such as the Department of Transportation Subcommittee of the Committee on Appropriations. However, what they want to do is to make a composite program of these operations and remove the use of this money out of the hands of the various subcommittees of the Committee on Appropriations and from the discretion and direction of an administrator who has expertise on the subject of the basic programs involved, and turn it over to one composite basic procedure, thus requiring the Committee on Appropriations to conform not to its present procedure but instead to a new procedure upon which many of the decisions of the Congress in the future will have to be made.

Mr. RHODES of Arizona. Mr. Chairman, if the gentleman will yield further. I thank the gentleman from Florida for his very thorough and analytical diagnosis of the question involved here.

Mr. Chairman, as one member of the Committee on Appropriations, I feel it would be absolutely wrong not to adopt the amendment.

Mr. Chairman, it is hard enough for the subcommittees of the Committee on Appropriations to keep track of all the various programs involved in the various projects which come under the surveillance of the Committee on Appropriations. However, this program, which is duplicatory in nature is very hard to oversee by the Committee on Appropriations. The language of this bill would make it harder. It should be amended.

Mr. CRAMER. The gentleman and members of his subcommittee have no difficulty in administering these programs under the present law today. Therefore, I am merely speaking for the preservation of the present law.

We are merely trying to preserve the language of the present law.

Mr. RHODES of Arizona. Mr. Chairman, the gentleman is absolutely correct.

Mr. CRAMER. Let us leave it with the Department of Transportation, where it belongs.

Mr. HAYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have found myself agreeing with the gentleman from Florida considerably in the last couple of days, but on this point I very definitely disagree with him. I will tell you why.

I believe this is what the trouble is with a lot of these agencies downtown, because not even the President of the United States can call them up and say "do this," or "do that." There are too many safeguards built into the law so that too many people have no responsibilities to anyone. People who never were elected to anything, who never stood before the voters, are making the decisions.

Further, I have a very personal reason for being against this amendment. The reason I have been less than enthusiastic about Appalachia, after being one of the people who did everything he could to get it passed in the first instance, was because its first Director was a fellow by the name of Sweeney who told me over the telephone that he did not do business with Congressmen, he was the Federal coadministrator, and he did business with the Governors, and Congress could stay out of it.

In other words, we can be the big spenders by voting them money, but we cannot even call up and get the time of day from them.

What does that have to do with this amendment? Well, this fellow became so obnoxious they got rid of him. Do you know where he wound up? He is Deputy Director of Transportation.

So, Mr. Chairman, I just say to the gentleman from Florida [Mr. CRAMER] that he really ought to withdraw this amendment because I am sure he does not want to have anything to do with that guy.

I do not know where this fellow came from, but I understood that he was—and God help me if I ever get appointed to anything that has to be confirmed—that he was an administrative assistant to a Member of the other body. All of us know that all administrative assistants over there think they are superior to Congressmen. So he came up through a good school, and he will not have anything to do with even talking on the telephone to a Member of the House of Representatives.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. HAYS. Yes, I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, I do not want to get involved in any controversy over Mr. Sweeney.

Mr. HAYS. I will say to the gentleman that he might get involved if he is asking me to yield to him while I am talking about this Sweeney.

Mr. EDMONDSON. But I did want the gentleman to know that this particular change in the basic law was not something requested by the President. The White House has not sought this authority. This is conferred in the White House and in the President by this bill, and it represents a decision of the other body which our committee agreed with, that it would bring about a more concise picture of what is involved in appropriations for the Appalachia program.

Mr. HAYS. Do not tell me why you did it; I do not even need to know. I just say if this is going to give any more power to Mr. Sweeney, then do not do it. And I am talking about the Republican Members and the Democratic Members, because this man believes Democratic Congressmen are pretty low, but he thinks Republican Congressmen are several rungs below that, so all the Members should vote against this amendment.

Mr. HARSHA. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

(Mr. HARSHA asked and was given permission to revise and extend his remarks.)

(By unanimous consent, Mr. HARSHA was allowed to proceed for an additional 3 minutes.)

The CHAIRMAN. The gentleman from Ohio [Mr. HARSHA] is recognized for 8 minutes.

Mr. HARSHA. Mr. Chairman, I have asked for this additional time to discuss this particular amendment because it will be offered on three more occasions, and I would direct my remarks to the package of amendments on this particular issue.

What we are confronted with here is not only the appropriation of this highway money to the President of the United States, but in three other instances in the bill the language requests that the appropriations shall be made to the President rather than to the various agencies involved.

This is a change in the present situation, the present law. But can the Members imagine anything more cumbersome than the situation that now exists?

The Appalachia Commission has to go through six separate agencies to get their appropriations through the Congress.

For example, the entire Congress has already passed the appropriation for the Department of the Interior.

The budget for HUD, which has passed the House, is lying in the other body.

The Commerce Department budget has passed the House and again is in the other body.

The Department of Agriculture budget is in conference between both bodies.

The Transportation budget has passed this House and is in the other body.

The Department of Health, Education, and Welfare budget is in conference.

Yet, this Commission and its program cannot operate and cannot facilitate or expedite its operations until it determines how much money it has to operate with.

What more chaotic situation can we imagine or envision than that; they would not know what they finally have to work with until the last appropriation bill is passed, they cannot even plan the years programs until they learn what moneys are available. Why should we not try to consolidate such an operation?

Certainly the purpose of this effort is to be able to present a composite budget to the Committee on Appropriations and to facilitate matters so that the Appalachia Commission will know what it has to work with.

The point will be raised, I am sure, in debate before too long and it was raised in the minority views, that maybe this will enable the President to hide some of the money or to cover it up.

Let me point out to the Committee that this program calls for $50 million for health facilities. This will appear in the budget for the Department of Health, Education, and Welfare which has over a $13 billion budget. How much easier would it be to hide a portion of this program in that budget than it would be for the Commission to come before the Committee on Appropriations and present their entire package that only authorizes $220 million.

We have had $19 million here for soil conservation.

The agricultural budget is in excess of $5 billion.

How much easier it would be to hide or to cover up a $19 million program in a $5 billion budget than it is to hide it in a $220 million budget. Another example is the $5 million for housing. How much easier would it be to bury a $5 million item in a budget exceeding $2.5 billion than one of only $220 million.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. HARSHA. I yield to the gentleman.

Mr. EDMONDSON. The chairman is making an excellent statement directed to the merits of this particular question. I think it focuses the spotlight upon the point that the Congress and the Committee on Appropriations will get a much clearer picture of what the Appalachia program is and what money is being appropriated for it if it is in one package and if it comes to the Committee on Appropriations in one package and comes to the floor of the House in one package.

That is what this is intended to do basically from the standpoint of appropriations.

Insofar as the Committee on Appropriations and its handling of this is concerned, there is nothing of any sort mandatory so far as the Committee on Appropriations is concerned. If the appropriation committee chairman wants to have these items heard by individual subcommittees that are familiar with the subject, there is nothing in the world to prevent him from doing that. They could simply keep the total appropriation in one package when it is brought out as a bill.

Mr. HARSHA. The gentleman is absolutely right. This provision in no way dictates to the Committee on Appropriations how they shall handle their business. But to the contrary should make it easier to dig into the various programs and budget requests to determine if the intent of Congress is being carried out. There is just too much fragmentation of the budget requests as they now are handled.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. HARSHA. I yield to the gentleman.

Mr. HAYS. I want to concur in the argument that the gentleman is making in addition to what I said.

I will say from my experience this is the problem we have with the foreign aid bill. It is scattered all over the Congress. Nobody—and I mean but nobody—really ever knows how much money is involved and who gets what. If this keeps it in one package, that is another very cogent reason it seems to me why the amendment ought to be defeated and why this language ought to stay in the bill.

Mr. HARSHA. I will say to the gentleman that that is my understanding of this provision of the language in the bill, that it will keep it in a single package and it will make it possible for the Appalachian Commission and the Governors to get together and present a composite budget and they have to appear before the Committee on Appropriations and argue in behalf of that budget.

Another thing is, we have $2 million here for water resources. Can you imagine trying to find that item in the Corps of Engineers overall budget? You talk about hiding or covering up some of the expenditures in this program. As the situation presently exists it is really conducive to such procedure should the agencies so desire.

I wish to point out that it will probably be said in argument before we are through considering all these other amendments that if we put it in the hands of the President, he will have an opportunity to be more political with it. That argument seems to be inferred at least from the minority views. I have heard it a number of times, at least in discussions of the bill on and off the floor. But anyone who is familiar with the facts of political life knows that that argument will not hold water, because the President, if he wants to play politics with it, can do it when it is in the hands of an agency, the heads of which he appoints, and the heads over which he has control, just as well as he could if he should present it to the Federal cochairman.

One other important phase of this is that when the Appropriations Committee

gets into the meat of this thing and gets to handling the large budgets of the various agencies and they begin to cut what they feel in their good judgment is fat from the bill, the members of the agencies that are presenting the budget to the Appropriations Committee are not so vitally concerned with a little item of $26 million for vocational education that they do not have too much control over, and that goes to Appalachia. So there is not the interest of the advocates of the Department's budget for a specific item that they do not have the control over as they do in their own departments.

As a result, the Appalachian funds suffer, where if it were presented in a composite budget with representatives of the Appalachian Commission carrying the fight, they could present a much more forthright argument for the needs of these programs, and be more effective and forceful in their justification for the request.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. HARSHA. Yes, I am glad to yield to the gentleman from Florida.

Mr. CRAMER. The amendment that I have offered deals solely with highways. No one can hide a $1 billion of expenditures for highways. Does not the gentleman feel that if the decision is to be made about the highway program it ought to be made by the agency that administers the $4-billion-plus basic Federal-aid highway program, as well as this $1 billion Appalachian highway program, and not by the President, who does not have the time to do so?

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. HARSHA. Mr. Chairman, I ask unanimous consent that I may proceed for 1 additional minute.

The CHAIRMAN. Is there any objection to the request of the gentleman from Ohio? The Chair hears none, and the gentleman is recognized for 1 additional minute.

Mr. HARSHA. It is true that your specific amendment deals with highways and highways only, but it is my understanding that three additional amendments will be offered. In an effort to expedite and facilitate these proceedings, I am anticipating the other three amendments. But I think my argument will apply to highway programs as well, particularly in view of what my colleague from Ohio has said about the Secretary of Transportation or the Assistant Secretary, and this amendment should be defeated. But the sole purpose of this, as the distinguished gentleman from Florida has pointed out, was to present a composite budget, to facilitate and expedite the handling of the affairs of the Appalachian Commission. This will in effect give the Governors an opportunity to work with the Commission and work with the Federal cochairmen in presenting a budget. Then they will know how much money they will have to operate on the rest of the year. It will inject into the program greater thrust and flexibility. The present procedure, with an array of agencies handling the funds has a built-in delay factor and clumsiness. The change as recommended by this new language will facilitate the effectiveness of this program and expedite its progress. At the same time the consolidation of the funding process would ease the burden of Congress in its appropriating and oversight functions. We would be better able to follow the money and determine how and why it is being spent.

I see no valid objection to this change, I see only improvement and urge the defeat of this amendment.

Mr. RHODES of Arizona. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and three Members are present, a quorum.

For what purpose does the gentleman from Alabama rise?

Mr. JONES of Alabama. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Florida. This amendment was dealt with at great length in the committee. The observations made by our colleague, the gentleman from Ohio [Mr. HARSHA] were found to be sound, and that was the reason we adopted the provision.

That was the reason we adopted it. We felt this would give greater authority for the Commission itself to promulgate the program, submit their requests for moneys to the President. This is strengthening the so-called States' rights concept. I think the explanation is sufficient to justify the defeat of the amendment.

Mr. DENNEY. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I have come from the electorate probably as recently as anybody in this House. I am out in my district at least twice a month on weekends. One of the big problems in the United States today, that we are hearing about all over the United States, is the question about what in the world is the matter with Congress, why do they abrogate their oversight powers to the President of the United States?

When this bill was conceived in 1965, it was not a recommendation of the President that the money be appropriated to him. It was not in the recommendation that was sent up by the President's Appalachian Regional Commission. This is a proposal that has been conceived and is being sold to the Members of the House on the grounds that it would make it easier to administer the program.

Ladies and gentlemen, I stand here today to say I have logged as much time in this House as any freshman ever did. I make every single committee meeting. We should see to it that we do our jobs and not abrogate them to one man. This is the problem, I think.

We heard the very distinguished gentleman from Mississippi here just a half hour ago say that he as a member of one of the subcommittees of the Appropriations Committee would see to it that they would render oversight as far as the funds are concerned. Who ever heard of the President of the United States coming before a subcommittee to report how this money has been spent?

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. DENNEY. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. Mr. Chairman, the amendment does not increase the authority of the President, nor does it disturb the appropriation process. It gives a more intimate relationship between the Governors of the States and the President of the United States. So nothing is being done that would do that.

Mr. DENNEY. As I understand it, the amendment says, strike out the word "President" and insert "Secretary of Transportation."

Mr. JONES of Alabama. That is exactly what it does. And it will be accommodating the Governors in dealing with the President.

Mr. DENNEY. Are we not assuming a fact not in evidence?

Mr. JONES of Alabama. I point out to the gentleman this same amendment will be offered to other sections.

Mr. DENNEY. To three more.

Mr. JONES of Alabama. It is to give it to the President of the United States, in response to a demand made, or requests made by the Governors of the respective States.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. DENNEY. I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Chairman, I say to the gentleman I think he and I would like to see the same objective, but the way it is now, it is impossible to pin anybody down about anything. The President is going to have to appoint somebody to administer this, and we can go to that man and put the finger on him. All they do now is pass the buck.

Mr. DENNEY. Let me say to the gentleman from Ohio, I sat in on the hearings when the Federal cochairman—who is now Mr. Joe Fleming, who took Mr. Sweeney's place—and this is not a question whether we like Mr. Sweeney or not.

Mr. HAYS. I understand.

Mr. DENNEY. The point is, I asked him, "Mr. Fleming, will you give this committee some record of what has been accomplished by the money that has been spent in the past 27 months?" And he said, in effect, "We are not able to do that. That has to be done through the States."

Mr. HAYS. That is correct. That is exactly where the trouble is.

In the foreign aid bill we appropriate the money to the President of the United States. He in turn appoints the Administrator of foreign aid. When we want to know something about the part which comes before our committee—and the gentleman understands that Public Law 480 and the lending for various international banks does not come before our committee—we can bring the Administrator in and he will lay the information before our committee.

If there is an Administrator directly responsible, appointed by the President, who has to come to the Congress, we will get a lot more information than if it is scattered through a dozen different agencies.

Mr. DENNEY. But if the President tells the Administrator not to come, what is the situation?

Mr. HAYS. Suppose he tells the Secretary of Transportation not to come.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. DENNEY. I am glad to yield to the gentleman from Florida.

Mr. CRAMER. In respect to the gentleman's question or suggestion, this bill before us does not make money available to the Federal cochairman; it makes it available to the President. There is no instruction as to what the President shall do or to whom he shall allocate funds. The money goes to him.

But the responsibility the gentleman is concerned about will remain with the Secretary. All of the responsibility will be with him, but the money will go to the President.

So far as Mr. Sweeney is concerned, I am sorry the gentleman from Ohio [Mr. HAYS] is not happy about Mr. Sweeney and his operation now and in the past, and this Member has raised many questions with Mr. Sweeney during his appearances before the committee, but the man who is supposed to make policy decisions in transportation is Mr. Boyd, the Secretary, and the head of the Bureau of Public Roads, not Mr. Sweeney. I would be very disappointed if Mr. Sweeney were the man making policy decisions. I do not want Mr. Boyd to abdicate to him that responsibility.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. CRAMER].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. CRAMER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. CRAMER and Mr. EDMONDSON.

The Committee divided, and the tellers reported that there were—ayes 91, noes 103.

So the amendment was rejected.

Mr. WAGGONNER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time to ask some questions of the chairman of the committee handling this bill. My questions relate to section 107 having to do with demonstration health projects. There is an appropriation of $50 million authorized for this section to provide demonstration health projects; which funds can be expended for planning, construction, equipment, and operation of facilities. This money can be used for treatment or any other health need. The term "multicounty" is used in trying to make a determination of who is eligible for participation in the grants authorized by this section. I would like to ask the chairman of the committee what is meant by "multicounty" as used in section 107. Are we talking about one, two, or three counties or what?

Mr. JONES of Alabama. It could be even more than three counties. It would be determined by the location with relationship to population. For instance, if a hospital could be constructed to serve three counties, it would reduce the overall cost to the several county governments to pool their resources and build one central health center or hospital for the accommodation of the health needs of the general area.

Mr. WAGGONNER. Generally speaking, then, do you mean three counties or more?

Mr. JONES of Alabama. It could be six counties if it would serve that purpose.

Mr. WAGGONNER. But one county alone would not be eligible under the definition?

Mr. JONES of Alabama. Yes; it would, if the hospital served more than one county even though it is located in the county designated under the act.

Mr. WAGGONNER. But then it would be necessary for the administrator of this health grant program to make a determination that if one county made an application for a grant, that this grant being made was for the purposes or the uses of people of more than one county to be served?

Mr. JONES of Alabama. That is correct.

Mr. WAGGONNER. Over on page 38 of the bill, lines 7 and 8, the words "and other laws" are used in talking about authorizing grants. Is this a reference to the Hill-Burton legislation?

Mr. JONES of Alabama. If it is a matter which refers to public health hospitals, the Hill-Burton Act as well as other authorized programs to which the Federal Government is either the principal participant or primary mover are involved.

Mr. WAGGONNER. The grants authorized by the Hill-Burton Act will continue to contain the 66⅔ limitation, will they not?

Mr. JONES of Alabama. Yes; that is correct. For instance, in the State of Tennessee they participate, or the Federal cost is 66⅔ percent. Now, if Appalachia makes a grant, it would only be to the extent of 13 percent which would be made over and above that figure under the Appalachian program.

Mr. WAGGONNER. In other words, a grant under the Hill-Burton legislation requires, under the present administrative procedures, the approval of the State departments of hospitals or State boards, or whatever the official title might be, would it not?

Mr. JONES of Alabama. It would have to be under the Hill-Burton Act. The application would have to be made by the local communities. It could not be initiated by the Federal Government alone.

Mr. WAGGONNER. Would this be true, as is the case under the Hill-Burton Act, that grants under the pertinent sections for these purposes would have to have the necessary approval of the State boards involved?

Mr. JONES of Alabama. It would be necessary, but it would also require that the Governor submit it as a project in the State. So, it goes even further than the provisions of the Hill-Burton Act and requires local approval, because they are in fact the applicants.

Mr. WAGGONNER. The gentleman from Alabama said that this would authorize grants in excess of the Hill-Burton grants to the extent of 13 percent.

Was the gentleman, in fact, saying that no grants would be made in excess of the Hill-Burton provisions, or does the gentleman mean that this would only be used to supplement the provisions of the Hill-Burton Act? Or, would it in fact be possible to construct through this grant method, a hospital and defray up to 80 percent of the construction costs thereof without regard to the provisions of the Hill-Burton Act?

Mr. JONES of Alabama. Mr. Chairman, if the gentleman will yield further, this is not expected to be that type of program because of the limited amount of money involved is of a supplementary nature.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

(Mr. WAGGONNER, by unanimous consent, was allowed to proceed for 1 additional minute.)

Mr. WAGGONNER. In other words, the gentleman from Alabama is saying that it is the intention of this program to supplement Hill-Burton funds designed for this purpose?

Mr. JONES of Alabama. Hill-Burton funds or other local capabilities toward investing, perhaps, the principal amount.

Mr. WAGGONNER. But, as a matter of general practice, it would not be the purpose of this legislation to have an entirely new program without regard to the provisions of the Hill-Burton Act?

Mr. JONES of Alabama. No, indeed.

Mr. WAGGONNER. And would it be possible—would it conceivably be possible—under the provisions of this legislation for the funds, the grants of funds under this legislation, to be used to subsidize the operating deficit of private hospitals which are operated for profit?

Mr. JONES of Alabama. No; that is not the intent of this act at all.

Mr. WAGGONNER. I thank the gentleman.

AMENDMENT OFFERED BY MR. CRAMER

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAMER: On page 43, strike out line 1 and all that follows through and including line 11 on page 45, and renumber succeeding sections and references thereto accordingly.

Mr. CRAMER. Mr. Chairman, this is a very simple amendment also. It strikes section 112 of the bill, entitled "Assistance for Planning and Other Preliminary Expenses of Proposed Housing Projects Under Section 221 of the National Housing Act."

Mr. Chairman, this section is really a dilly. If you want to throw away the taxpayers' money and subsidize risk money for developers, and if you want to subsidize lawyers, subsidize the speculators, and subsidize the lobbyists lobbying with the Commission for these projects, if you want to subsidize the public relations men who try to sell these housing projects, and if you want to subsidize the engineers—and that is what it says on page 44, "Loans up to 80 percent of the cost of planning a project," we are talking about housing development projects, we are not talking about individual home loans, then vote against by amendment. If you do not want these things to happen, then vote for it.

We are talking about housing projects, about subsidizing the risk money involved in putting one of these projects together—up to 80 percent. They are going to include, but not be limited to, preliminary surveys and analyses of market needs, preliminary site engineering—there is the engineer—and architectural

fees—there are the architects— site options—there are the real estate men and finders—Federal Housing Administration and FNMA fees—and listen to this—and discounts.

What a fight we have on the floor of this House year after year on discounts on FHA and other loans, opposing discounts as a means of increasing the cost of loans that are guaranteed by the Federal Government. But here we are going to subsidize them and repay them, guarantee them against loss resulting from such discounts. This is inviting the very discounts that we have opposed for years, and the loans may be made to these agencies without interest, without any interest whatsoever.

Who can get these loans, and what are they supposed to be for? In the bill it says "to encourage and facilitate the construction or rehabilitation of housing to meet the needs of low- and moderate-income families." That is no definition whatsoever. Nobody knows what they mean by "low- or moderate-income." Nobody supporting this legislation has attempted to define them.

Then in addition, the loan itself may be forgiven to nonprofit, limited dividend, or cooperative organizations.

Here goes FHA in a hurry into a lot of moderate-income housing business with guaranteed risk money, forgiven.

It says "To cooperative organizations, or to public bodies." I wonder if somebody can tell me who this limited dividend outfit is going to be? What is a limited dividend outfit under section 221 that would be able to get these loans?

What else does it do in addition to helping the lobbyists and the lawyers and the architects? They can also waive repayment of these loans. This is what it says:

> The Secretary may, except in the case of a loan to an organization established for profit, waive the repayment of all or any part of a loan made under this section, including interest which he finds the borrower is unable to recover from the proceeds of a mortgage insured under section 221.

If the homeowner cannot repay it, the Federal Government is going to have to pay it, and the Secretary can waive repayment of all or any part of a loan made under this section, including interest.

This gives him power to waive that.

Mr. Chairman, as we pointed out in the minority report on S. 602, section 112 of S. 602 would create an entirely new program of Federal financial assistance for planning and other preliminary expenses of low- and moderate-income housing projects in the Appalachian region. This section would authorize the Secretary of Housing and Urban Development to make grants and loans to nonprofit, limited dividend, or cooperative organizations, or to public bodies for expenses of planning and of obtaining insured mortgages for housing construction or rehabilitation projects, under section 221 of the National Housing Act.

Grants may be made to nonprofit organizations for 80 percent of the administrative expenses incident to planning a project and obtaining an insured mortgage, which the Secretary considers not to be recoverable from the proceeds of a mortgage insured under section 221.

Loans may be made for 80 percent of the cost of planning a project and obtaining an insured mortgage under section 221, including, but not limited to preliminary surveys and analyses of market needs, preliminary site engineering and architectural fees, site options, Federal Housing Administration and Federal National Mortgage Association fees, and construction loan fees and discounts. These loans can be made without interest, or at any market or below market interest rate authorized for a mortgage insured under section 221.

Not only is this section objectionable because it creates a new and additional kind of financial assistance over and above that contemplated by the Congress when the Appalachian program was enacted in 1965, but it should not be enacted into law for a number of additional reasons.

Mr. Chairman, the Secretary of Housing and Urban Development would be authorized, except in the case of a loan to an organization established for profit, to "waive the repayment of all or any part of a loan made under this section, including interest, which he finds the borrower is unable to recover from the proceeds of a mortgage insured under section 221." Probably in most cases, borrowers would contend that they were unable to recover planning and other preliminary expenses from up to 100 percent construction loans insured under section 221, and the planning and preliminary expense loans would be converted into Federal grants.

Mr. Chairman, this is a disturbing provision. We feel that one who secures a loan from the Federal Government should have the same responsibility of repaying it as he would if the loan had been obtained from a private banking institution. Such a forgiveness provision will encourage borrowers not to repay loans at the expense of all of the taxpayers of the Nation.

This new program is being established supposedly to encourage the construction or rehabilitation of housing to meet the needs of low- and moderate-income families and individuals. Yet, there is no definition in the bill, or in section 221 of the National Housing Act, of what constitutes a low- or moderate-income family or individual. We feel that a definition should be written into law rather than it being left to the discretion of the Secretary.

Mr. Chairman, there is no definition in the bill of administrative expenses or expenses of obtaining an insured loan, other than a partial listing of purposes for which loan money can be expended. Inasmuch as the Secretary would be authorized to make 80-percent Federal grants and loans for such expenses, this is a substantial omission. Apparently, it is intended that the expenses eligible for grants differ from those eligible for loans, but this distinction cannot be ascertained from the language of the bill. Presumably, among other things, the fees charged by attorneys, lobbyists, expediters, public relations firms, and others to promote projects and influence favorable actions by the Appalachian Regional Commission, the Secretary, and other public officials would be eligible for 80-percent Federal grants and loans. Members of Congress are being asked to write a blank check for whatever the Secretary decides to include in eligible expenses, rather than Congress making the determination.

The House Committee on Public Works has no legislative jurisdiction over, or expertise on, housing legislation. The new grant and loan program created by this section is a major addition to existing housing laws. It is more far reaching than the mere inclusion of an existing program in the Appalachian Regional Development Act of 1965. Legislation of this importance should not have been reported by the Committee on Public Works without its first being considered by the Committee on Banking and Currency. The recommendations of that committee, which has jurisdiction over housing legislation and years of experience in the field of housing, should have been sought. Housing legislation is quite complex and interrelated, and the need for this section and its effect upon existing housing laws and programs are unknown.

I say to the Members this is probably the worst monstrosity of the whole bill. It should never have been up before our committee. We do not claim to have expertise in banking and currency and housing problems. It never should have been before our committee. I say it should be taken out of the bill and considered by the proper committee.

It is not good legislation in the first place.

Mr. ASHLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the pending amendment not as a member of the Committee on Public Works but as a member of the Committee on Banking and Currency's Subcommittee on Housing, which has been for so many years now deeply concerned with this problem.

Our Subcommittee on Housing has been very deeply concerned over the deficiency of decent housing for low- and moderate-income families in the United States—a deficiency which despite our efforts has grown and which is now recognized as a national problem of very real magnitude.

Poor housing is not only a problem for our cities—it is less dramatic but just as pervasive in many if not in most of the rural areas in the country.

There simply can be no argument whatever but that poor housing is a particular problem in the Appalachia area and it is one of the longstanding deficiencies which was recognized when Congress passed the Appalachian Regional Development Act of 1965.

The new section 207 which the gentleman from Florida would strike with his amendment seeks to be responsive to the various factors which have resulted in an undersupply of decent housing for low- and moderate-income families in the Appalachian region.

Let me say that that problem is really not so much with respect to public housing—the public housing program has been used extensively in Appalachia and some 77,000 housing units or about 10 percent of the total national inventory of public housing has been placed under contract in the Appalachian region since

the initiation of the program back in the late 1930's.

The critical need is not public housing. The critical need is to accommodate families whose incomes are just high enough to disqualify them from public housing but too low for the private housing market.

To bridge this gap, the Congress has initiated a number of programs, principally the section 221 program which provides low-interest mortgage loans from the Federal National Insurance Association to nonprofit sponsors for permanent financing of qualified projects which involve either new construction or rehabilitation.

This is not a new program. The section 221 program has been upon the books for many years. The plain fact of the matter is that it has not been used in the Appalachian region for a number of reasons that I will touch upon.

But bear in mind that of 40,000 housing units constructed under section 221, only 603 have been built in Appalachia. This is a region with 8½ percent of the Nation's population and it has about 10 percent of all public housing but as was mentioned a moment ago, it is the beneficiary of only about 1.5 percent of section 221 housing that has been constructed.

There are two reasons for this, and this is what the gentleman from Florida, I think, misses. It seems to me there are two reasons why section 221 has not been made use of in the Appalachia region. The first is the shortage of the capital needed by nonprofit corporations to prepare their plans. The second is the shortage of managerial competence to initiate and manage housing projects.

Section 207 of the bill seeks to meet these exact problems by authorizing the establishment of a revolving fund—an Appalachian housing fund—totaling up to $5 million for loans and grants—and I will say to the gentleman that he knows they are principally for loans.

Under this program, loans would be available for up to 80 percent of preliminary costs and planning of projects and obtaining insured mortgages under section 221 including such costs—as costs of surveys, and analysis of market needs, site engineering and architectural fees, site options, and so forth.

In most cases these costs would be recoverable.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. ASHLEY was permitted to proceed for an additional 3 minutes.)

Mr. ASHLEY. I will say that these costs in most instances would be recoverable when a construction loan is made, and repayments would be made to the revolving fund administered by the Secretary of Housing and Urban Development. The Secretary would be authorized indeed, as the gentleman from Florida [Mr. CRAMER] has pointed out, to prescribe the terms and conditions of such loans. But there is nothing new or revolutionary about that. He would be able to waive the repayment of all or part of the loan which he finds the borrower would be unable to recover from the proceeds on a mortgage insured under section 221. But we are talking about essentially a revolving fund into which we would put $5 million for the preliminary costs. These loans would be recoverable.

Mr. Chairman, this is the best kind of investment, because what it means is that the money, the initial $5 million, would be used over and over again, and as money is being repaid into the fund, it would be used to help new sponsors of new projects. So I say that if we are serious about meeting the need for low- and moderate-income family housing in an area of the country where this kind of housing is needed most, we have a device here that is a tested device, and it should be made use of.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Iowa.

Mr. GROSS. Where else in this country can a citizen borrow without interest and be assured by law that he may not even have to repay? Where else can this occur?

Mr. ASHLEY. There is an assurance for repayment.

Mr. GROSS. Yes, by the Government, but what is the responsibility of the individual? Where else in the country can any other citizen borrow money on these terms?

Mr. ASHLEY. I would say this to the gentleman: He must understand what the 221 program is about. The idea is to persuade nonprofit sponsors to undertake the construction and management of housing units which can be made available to moderate-income families at a lower rental than otherwise would be the case, because of the very fact that the sponsors have available to them below market interest rates at which they borrow the money. This is what makes the 221 program a viable program for private housing for low-income families.

Mr. GROSS. If the gentleman will yield, there is one thing for dead sure and certain, that on the money made available for this purpose, and in case of default, the taxpayers of all the country will pay the interest on the money. Is that not so?

Mr. ASHLEY. The $5 million?

Mr. GROSS. I do not care whether it is $5 million or 5 cents.

(By unanimous consent, Mr. ASHLEY was permitted to proceed for 2 additional minutes.)

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from New Jersey.

Mr. WIDNALL. I understood the gentleman to state that under existing law 8 percent of the housing loans that have been made through HUD in the Appalachian region have been made for a purpose such as that described in the bill. Is that not correct?

Mr. ASHLEY. No, I said that with respect to public housing, for the Appalachia area, which comprises 8 percent of our population, approximately 10 percent of the public housing units have gone to this area, which is a fair allocation. But under the 221 program for this area, where we have 8 percent of our population, only 1½ percent of all 221 units to date have been constructed, showing a great disparity in the use of this program.

Mr. WIDNALL. That is primarily because of the fact that there has been no real attempt to get nonprofit organizations interested in this program and doing something about it in that area. Would it not be far better than embarking upon this new program, as stated in this bill, to get a grant from the Ford Foundation and have them do for the rural areas what they did for the cities, and come in with recommendations along this line, instead of spending money that we will have to spend under this new program, primarily for planning and environmental study?

We just had a statement by the President—and I was down at the White House when he gave it out—that the big insurance companies are going to spend a billion dollars to go into the cities and help the hard-core areas. This study could be done with respect to the rural areas.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WIDNALL. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 2 additional minutes.

Mr. ARENDS. Mr. Chairman, reserving the right to object, this has gone on for quite a long time this afternoon. I know it is interesting, and I know quite a few Members will be interested in it, but I would be constrained to object after this 2 minutes which has already been requested. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Without objection, the gentleman is recognized for 2 additional minutes.

Mr. WIDNALL. Mr. Chairman, it seems to me under existing law we could do it, and through this housing proposal we are not going to get anywhere except be giving away money for expenses that are not covered under existing law, and particularly with the discount included. A dangerous precedent is being set. What particularly bothers me is the fact that this provides for more than Appalachia. This bill provides extension of Appalachia into regions that have absolutely no relationship to Appalachia. The argument can be used, if this bill is passed with this provision in it, that we should extend Appalachia throughout the 50 States and use the same approach throughout the 50 States.

Mr. ASHLEY. Mr. Chairman, let me say to my very good friend from New Jersey that, with 8 percent of the population and only one-and-a-half percent of all the 221 units located in Appalachia, it's clear that the program is not working there. Why? Because there are not sponsors who are coming forth to engage in the program. Why are they not coming forth? There has been study put to this. It is known that the preliminary costs of a 221 project are substantial. There are not sufficient sponsors in the poor regions of Appalachia to undertake these preliminary costs. That is why the sponsors are not in such numbers as had been

hoped. We say this proposal is precedent-shattering. I say let us find out why this program has not been working and make the adjustments necessary to help provide the decent housing so badly needed by so many decent citizens living in distress in the Appalachian region of our country.

Mr. WIDNALL. Mr. Chairman, if the gentleman will yield further, then why should our committee not study it on a nationwide basis rather than just on the basis of this program?

Mr. MATHIAS of Maryland. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in full support of S. 602, to revise and extend the Appalachian Regional Development Act.

When this legislation was initially before the Congress in 1964 and 1965, I joined as a cosponsor of the bill because it seemed to me to offer great opportunities for meeting the human needs of the people of Appalachia and promoting the economic development of a region which for many years has suffered from high unemployment, low-growth rates, poor use of resources, and general and persistent depression.

The structure of the program enacted in 1965 then seemed to be, in my judgment, as important as the substantive assistance authorized. This act proposed a new kind of economic development program, one which was not imposed from outside, but which rather evolved out of the plans of each locality and State, tempered by the deliberations of officials representing all States and the Federal interest. To me this was a highly promising advance in grants-in-aid, a truly federalistic pyramid through which ideas could flow upward before the funds were directed down.

I can report that the Appalachian program during the past 2 years has come as close to my expectations as mortal men have a right to expect. In the three Maryland counties involved—Garrett, Allegany, and Washington—each individual project has been based on solid planning at the local level, with the able technical assistance of the State through the Western Maryland Regional Economic Development Office established under the act by the Maryland Department of Economic Development, Mr. Robert G. Garner, the Maryland representative on the Commission, and Mr. Daniel S. J. Rohrer, Jr., the head of the regional development office, have done an excellent job in working with local and county officials and private groups to develop each project thoroughly and prudently before submitting an application for funds.

In an intensive study of western Maryland resources prepared by a University of Maryland committee in 1965 at the request of the 15-man committee representing Appalachian Maryland, the region's major problems were summarized as follows:

(1) the continued expansion of economic opportunity for all individuals,

(2) the adequacy of the public sector in terms of education, planned development, and highway access relative to its functions in modern society, and

(3) improvement of resource management at all levels and units of decision-making.

The committee further noted:

As a result of lower incomes and an inadequate fiscal base, insufficient revenue has been available in the past to the public sector . . . for education, health, welfare, and other public services in the region. As a result, citizens of Western Maryland have been relatively disadvantaged in developing their own capabilities and in making best use of the economic opportunities which do exist.

In light of these observations, it is appropriate to note that Maryland's primary emphasis during the first 2 years of the Appalachian program has been on education and health. Projects aided to date include two county vocational-technical education centers, an area agricultural center, and three hospitals and nursing homes. Additional health facilities and improvements are currently being planned.

Mr. Chairman, obviously the full impact of these projects cannot be measured in 2 years. Since many of them involve construction, it will be some time before all of them are even operating. It is possible, however, to measure at this time the extent to which the Appalachian program, including the supplemental aid available under section 214, has encouraged county and local officials in western Maryland, has enabled them to begin projects which might otherwise have been deferred or delayed, and has prompted them to plan coherently and sensibly. These constructive and hopeful products of the first 2 years are clearly visible.

I feel that continuation of this act, as provided for in S. 602, is completely justified and most important. It would be tragic, in fact, if the program were not continued, for the gains of the past 2 years would to a large degree be thrown away.

In addition to its extended authorizations, S. 602 also contains very helpful provisions for increased work on the related problems of controlling acid mine pollution and reclaiming surface mines. Water pollution—and scenic pollution—resulting from past and present mining is not as prevalent in western Maryland as in some other parts of Appalachia, but still causes grave damage to the resources and beauty of the land. For example, acid mine drainage in the north branch of the Potomac threatens to undermine much of the recreational potential of the Bloomington Reservoir now under construction.

The provisions of S. 602 should intensify our efforts to reduce acid mine drainage. In addition, House passage of this measure should reemphasize to the Federal agencies concerned, and particularly to the Water Pollution Control Administration, the determination of the Congress that strong steps should be taken without delay to intensify research into remedial measures. In this regard, I continue to be disappointed at the failure of the WPCA to initiate an acid mine drainage control demonstration project on the north branch or its tributaries. I regret that there has been no sign of action from that agency since last fall, when I was notified that a project then planned had been canceled because of renewed mining activity in the area.

In conclusion, I would like to have the RECORD show that I am extremely pleased, as are my constituents, with the way this program has operated. I have criticized some aspects of Federal operations from time to time, and have called for reforms to improve intergovernmental communications and reduce red-tape. The Appalachian Regional Commission is one agency which has managed to avoid the problems which have plagued so many offices and tied up so many worthwhile programs. The Commission's relations with the States have been consistently excellent, probably because it is to a great extent a creature of the States. Its responsiveness to local needs is most commendable, and fully implements the intent of the original act. Finally, the agency's hospitality to local and State officials and congressional inquiries has been outstanding.

I encourage my colleagues to approve S. 602.

(Mr, MATHIAS of Maryland asked and was given permission to revise and extend his remarks.)

Mr. PERKINS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I will not take the 5 minutes for the point I wish to make is so clear cut and compelling I do not wish to consume my colleague's time. All through the years in the heart of Appalachia, one of our principal problems has been the lack of housing. I have supported housing bills here since 1949, but, by and large, our large metropolitan areas have been the beneficiaries. The heart of Appalachia has never taken full advantage of the low-rent public housing. They have been bypassed by all the defense spending. There is hope today, in this legislation for a solution to housing in the small needy communities of Appalachia.

No foundation or other private organization is likely to invest money there for the rural areas, to study housing. They have not done it in the past. If we strike this particular section, we are just going to delay the day when families in Appalachia will receive better housing. Regardless of what we state about it, there have to be studies made.

This section in the bill is reasonable, it is feasible, and it should not be stricken. At least it is some hope. It is going to be a long, long time anyway before we come up with any reasonable solution to the housing problem in Appalachia. It would be a great mistake to strike this provision from the bill.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Chairman, I congratulate the gentleman on his excellent statement. I want further to point out that we in the committee wrote what we regard to be very adequate safeguards against anyone profiteering on this section.

On page 44 is the provision that no grant shall be made to any organization established for profit.

Further on page 44 is a provision that any loan made to an organization established for profit shall bear interest at the going market rate.

Mr. PERKINS. I agree with the gentleman. There is no opportunity here for anyone to profit from the $5 million we authorize here, but let me say to the distinguished gentleman that I believe these funds will stimulate economic activities and benefits to the area and the Nation far beyond the small sum we are committing. As I understand the legislation, the proposal will first have to have the complete concurrence of the Appalachian Governors.

Mr. MOORHEAD. Mr. Chairman, I move to strike the requisite number of words.

(Mr. MOORHEAD asked and was given permission to revise and extend his remarks.)

Mr. MOORHEAD. Mr. Chairman, I rise in opposition to the amendment and in support of the new section 207, which will assist private sponsors of low- and moderate-income housing to take advantage of section 221 of the National Housing Act in Appalachia.

As a member of the Housing Subcommittee, I have been a strong supporter of the section 221 programs, but I have learned that many of the churches, unions, cooperatives, and service associations which would sponsor low- and moderate-income housing are deterred by the large initial expenditure that must be made to develop an application for a Federal Housing Administration housing project. In the case of a $1 million, 221(d)(3), rental housing project, the costs of organization, land options, feasibility studies, and architectural drawings may be as high as $40,000. If the Federal Housing Administration does not make a commitment to insure, this private nonprofit organization is out $40,000 and does not have any housing.

In connection with the remarks made by the gentleman from New Jersey, on August 7 of this year, together with the gentleman from Ohio [Mr. ASHLEY] and the gentleman from Wisconsin [Mr. REUSS], I introduced a bill which would authorize this type of program on a national basis. However, I believe there is ample support for applying this first only to Appalachia.

The gentlemen who have preceded me in the well have pointed out that Appalachia has 8½ percent of the Nation's population and only 1½ percent of the 221 housing units. This is because the area does not have the capital and does not have the know-how to take advantage of these programs. The only thing left is either to have rural slums or public housing.

I believe in private housing for low- and moderate-income families, and I believe that this amendment should be defeated.

Mr. FULTON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD. I yield to the gentleman from Pennsylvania.

Mr. FULTON of Pennsylvania. I compliment the gentleman on his excellent statement, because he is pointing out that the people under the Appalachia program do need this kind of assistance. The people in upper Appalachia, the back hills and mountains and valleys, are fine, good, hard-working people, and do need this assistance.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD. I yield to the gentleman from New Jersey.

Mr. WIDNALL. Is it not true that the bill covers more than nonprofit organizations, and enlarges the coverage to profit organizations?

Mr. MOORHEAD. But, as I recall, there is a requirement that the profit organizations, if they take advantage of this section, must pay a full rate of interest.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD. I yield to the gentleman from Florida.

Mr. CRAMER. They can get loans for discounts, so they get a full rate of interest and then take the interest they have to pay off in the form of a discount. What difference does it make?

I cannot understand how anybody on the Committee on Banking and Currency could stand up to say that the Federal Government ought to subsidize and legalize discounts in this manner.

Mr. MOORHEAD. We have had experience with the 221 program, and we have found it to be successful. If this section will promote the use of 221 housing in Appalachia, then I am in favor of it.

Mr. FULTON of Pennsylvania. Mr. Chairman, I move to strike the requisite number of words.

I rise, Mr. Chairman, in opposition to the amendment, first. I agree with the gentleman from Pennsylvania [Mr. MOORHEAD] on his statement, which I believe is well stated.

Second, I should like to point out to the gentleman from Ohio [Mr. HAYS] authoritative information on the excellent record of Pennsylvania on highway safety. The gentleman, as I recall, spoke about certain risks on Pennsylvania highways, particularly Interstate Highway No. 70 as well as the Pennsylvania Turnpike. In connection with the turnpike the purport of the remarks generally was that if a person wants to see what the safety record is look at the bodies along the road, and referred to the western part of the turnpike as suicide alley.

In rebuttal to the gentleman from Ohio, I have very interesting figures from Frank Blakesle, chief of information and education of Pennsylvania Bureau of Traffic Safety.

Over the long Labor Day weekend Pennsylvania had 25 deaths through automobile aecidents, Michigan had 44, California 57, Illinois 15, Ohio 20, which is a very good record. New York had 41, Texas 46, Indiana 18, and that is a long weekend. Looking at the accident frequency rate with automobile fatalities per 100 million vehicle miles, I give these figures from the National Safety Council whose principal office is located in Chicago. Under these figures Pennsylvania had 4.4 fatal accidents per 100 million vehicle miles in 1966 and the rate is down to 4.1 in 1967.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. FULTON of Pennsylvania. Not at present, but I will when I get through with my statement.

So Pennsylvania had a 4.4 automobile death rate in 1966 per 100 million vehicle miles, Ohio had 5.4 in 1966, which is a death rate 25 percent higher than Pennsylvania. New York had 4.8, Michigan 5.3, New Jersey 3.4, Maryland 4.6, West Virginia, 6.9, Florida 6.2, Iowa 6.6, Delaware 4.9, Texas 6.2, Virginia 5.2, Indiana 5.7, Illinois 5.2, California 4.8.

In fact, Pennsylvania had the lowest accident rate of any of the big cight States populationwise. These States are California, Illinois, Indiana, Michigan, and New York, including Ohio, Pennsylvania, and Texas.

These are the statistics of State public roads, strects, and highways. Our Pennsylvania Turnpike is not under our State Highway Department, but is separate under the Pennsylvania Turnpike Commission, an independent body. This is the granddaddy of all turnpikes. It is one of the original U.S. turnpikes. So it is old, but at is now being modernized.

What is the record on the Pennsylvania Turnpike? Daniel Starry, Safety Director of the Pennsylvania Turnpike has given me the figures compiled officially by the National Safety Council. We find that fatal accidents per 100 million vehicle miles in 1966 were 1.6. On all automobile accidents, the figure is 2.4 accidents per 100 million vehicle miles on the turnpike. Unfortunately, Ohio had on its turnpike a rate of fatalities of 2.7 in 1966. That is much above Pennsylvania. Unfortunately, West Virginia, which certainly needs Appalachia, had 16.2 fatal accidents per 100 million vehicle miles in 1966. We must help open up the hills of West Virginia, and make the highways and roads safe.

The New York Thruway record was good in 1966. It had 3.1 per 100 million vehicle miles. The New Jersey Turnpike had the same record as Pennsylvania, 1.6. Unfortunately this rate has gone up to 2.9 in 1967, as has the Pennsylvania Turnpike for the same period. The overall accident rate on these two turnpikes has not gone up in 1967.

The Garden State Parkway in New Jersey was excellent. It had a 1.4 death rate in 1966.

The Atlantic City Expressway, however, had 6.5 deaths per 100 million miles in 1966, and this rate is down to 3.8 so far in 1967.

The Florida Sunshine State Parkway in 1966 had a rate of 3.8.

In Virginia they had a 1966 record of 5.2 fatalities on the Richmond-Petersburg Parkway, which fortunately has been reduced to three so far in 1967.

I think we are doing a pretty good job on traffic safety in Pennsylvania. We would like to have you all come and go through good old Pennsylvania on your way to Ohio and back and forth to your homes. Stay and see beautiful Pennsylvania, 53-percent woodlands yet, and meet our friendly people.

I am glad to report to the House that the gentleman from Ohio [Mr. HAYS] and I have been traveling back and forth over these Pennsylvania highways. I go to Pittsburgh in southwestern Pennsylvania, and he to Ohio through the good town of Steubenville. I do not believe the gentleman from Ohio [Mr. HAYS] has had an accident in Pennsylvania yet and neither have I in our 20 years of travel.

We welcome you to come through Pennsylvania and hope you have a good opportunity to see our State. We think we are doing a pretty good job, with fine employment, and progress.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. FULTON of Pennsylvania. I yield to the gentleman.

Mr. HAYS. If the gentleman were paying attention to what I said, I was only talking about the 90-mile section of the Pennsylvania Turnpike between Breezewood and New Stanton, on which section they run Interstate 70, which makes it a terribly overcrowded piece of highway.

Mr. FULTON of Pennsylvania. Yes, but we have over 300 miles of Pennsylvania Turnpike, and there were only 24 deaths in the whole year of 1966 on that whole 300 miles. I wish Ohio had the same record on both its turnpikes and its general highways as Pennsylvania has on each. We will stand up to be counted, and we hope we can do better next year.

Mr. HAYS. Will the gentleman yield again?

Mr. FULTON of Pennsylvania. Certainly I yield.

Mr. HAYS. Your statistics have not been applied to the particular problem.

Now, Mr. Chairman, anyone can get up and reel off a lot of statistics. But I am talking about one section. Can you justify putting a part of the new Interstate Highway System over the turnpike?

Mr. FULTON of Pennsylvania. We must say to you in Ohio that the Pennsylvania Turnpike was built with no Federal funds whatsoever but yet Pennsylvania cannot in the U.S. interstate highway program even get credit for the expenditures which were made by the great State of Pennsylvania toward the construction of the Pennsylvania Turnpike.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(Mr. FULTON of Pennsylvania, by unanimous consent, was allowed to revise his remarks and proceed for 1 additional minute.)

Mr. FULTON of Pennsylvania. Certainly, Mr. Chairman, highway safety is a very fine record in Pennsylvania.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. HAYS. Mr. Chairman, I move to strike the requisite number of words.

(Mr. HAYS asked and was given permission to revise and extend his remarks.)

Mr. HAYS. Mr. Chairman, the gentleman from Pennsylvania [Mr. FULTON] reeled off an impressive set of statistics. However, Mr. Chairman, none of those statistics touched upon the problems about which I was talking.

Mr. Chairman, all the members of the Committee of the Whole House on the State of the Union know the old story about "figures do not lie"—and I shall not finish the balance of that axiom, because it would be a violation of the rules of the House. However, the proof of the matter is that the gentleman from Pennsylvania skirted all around the problem.

Mr. Chairman, I have no quarrel with the State of Pennsylvania. If they can get the Federal Commissioner of Highways or their own State commissioner to permit the operation of U.S. 70 over antiquated, delapidated, pre-World War II highways—then that is another matter. My criticism was directed to the particular section of the highway involved.

Therefore, Mr. Chairman, I feel it is a valid criticism. It is my further opinion that anyone who has ever traveled that particular stretch of the Pennsylvania Turnpike will agree with me that it is terribly overcrowded. I came back on it last Sunday evening and it was really overcrowded and represented a very dangerous situation. I had in company with me some other people who stated that this was the worst kind of experience trafficwise through which they had ever gone, not because of the State of Pennsylvania, but because of the fact that the highway was so congested, cluttered, and massed with trucks. It was really a nightmare for me to undertake to navigate this particular stretch of road. Other vehicles were cutting in and out, they were passing on the wrong side, and it represented a real potentially tragic situation and a highly overtraveled portion of highway. We were witness to two accidents on that particular Sunday night. Also, I witnessed another accident several weeks ago in which several people were burned to death right on this particular 90-mile stretch of highway.

Mr. Chairman, that is the only criticism I have of this particular situation.

Mr. FULTON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. HAYS. Yes, I yield to the gentleman from Pennsylvania.

Mr. FULTON of Pennsylvania. For how many years has the gentleman been traveling this highway without an accident?

Mr. HAYS. Well, the fact of the matter is that I am a good driver, but that does not have anything to do with the highway itself.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. CRAMER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. CRAMER and Mr. WRIGHT.

The Committee divided, and the tellers reported that there were—ayes 99, noes 103.

So the amendment was rejected.

Mr. O'HARA of Illinois. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. CRAMER. Mr. Chairman, reserving the right to object—and I shall not object, I will say to the gentleman—but could I respectfully ask for a recapitulation of that teller vote, relating to the addition of the figures by the Chair?

I believe I announced 87 at the outset, and then there were 16 additional.

Mr. YATES. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. YATES. Does not the request come too late?

The CHAIRMAN. The Chair will state that the Chair heard 83 in the affirmative on the first announcement, and the Clerk also understood 83.

Mr. CRAMER. I thank the Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Chairman, I believe that what I am going to say is in order, but it does not relate to the subject matter of the bill.

I shall make some observations on propriety, especially in relation to the honor and the dignity of the House of Representatives.

It is my suspicion that there may have been some political motivation in earlier remarks on a press release, in which it was said, mention was made of the minority leader of the House. I do not know whether there was a press release, and whether it referred to the minority leader in an improper manner, but if a press release were sent out that questioned the integrity or the motivation of the minority leader of this body, I would bitterly resent it. I do not believe in fighting with mud. That is not the way in which democratic government functions.

Mr. Chairman, to me the minority leader is a great American. To me the minority whip is a great American. Just as the Speaker of this House of Representatives, JOHN MCCORMACK, is a great American, and CARL ALBERT is a great American, and HALE BOGGS is a great American. They are all great Americans, and the honor and the dignity of the distinguished body to which we all belong is assailed under any one of them is questioned as to his sincerity.

When you reflect upon the minority leadership, I do not like it because you are reflecting upon the honor and integrity of this body.

I was glad that one of the Republican Members in supporting the legislation, paid tribute to Dr. Weaver, who is a gentleman of the highest quality and of terrific ability. I know that he would be the last person in the world to approve a press release to bring into question the sincerity or the integrity of any Member of this body, especially one placed by his party colleagues in a high position of leadership.

I am a native son of Michigan. I am proud that my native State has the distinction of having as minority leader in the House of Representatives, GERRY FORD.

I have lived for many years in Illinois and have served the State of my adoption and the native State of my sons for a long, long time and I regard LES ARENDS as one of the great sons of Illinois. I am proud he is in a position of leadership though he is not in my party. I would resent anybody bringing into question

his integrity or his sincerity. We are blessed with the two-party system and this assures us of a full presentment on all issues, but we can disagree as gentlemen.

I think, Mr. Chairman, it may be out of order but I shall suggest what is in my heart and I think in the hearts and minds of my colleagues—that at this moment everybody in this Chamber stand up in tribute to GERRY FORD—in tribute to JOHN MCCORMACK—in tribute to LES ARENDS—in tribute to CARL ALBERT and to HALE BOGGS—in tribute to our leadership on both sides.

I thank my colleagues for this show of unanimity in the faith we feel in our leadership of the majority and of the minority, always of course reserving the right to disagree strictly on the merit of the issues.

AMENDMENT OFFERED BY MR. SCHWENGEL

Mr. SCHWENGEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCHWENGEL: On page 40, strike out line 15 and all that follows through and including line 21.

Renumber succeeding sections and references thereto accordingly.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. SCHWENGEL. I yield to the gentleman.

Mr. JONES of Alabama. Mr. Chairman, I ask unanimous consent that all time on this amendment and all amendments thereto be limited to 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. SCHWENGEL. Mr. Chairman, I want to remind the House that I have participated in the consideration of this legislation from the beginning, from the time it came before the Committee on Public Works in 1964, and I have been avidly interested in its objective. So whatever position I have taken, and I believe the position of the minority, is not to be interpreted as being against the stated objectives of this legislation. Our position is one that is stating that we believe this is inadequate, unfair, and smacks of favoritism, because it does not treat comparable situations throughout the United States in the same way as it treats the Appalachian area.

My amendment deals with the conservation section, section 203 of the 1965 act and section 112 of S. 602, as reported, specifically with watershed protection projects. As I said when I spoke on this legislation in the general debate, I sincerely believe that the Appalachian program gives preferential treatment to the Appalachian area. One of the outstanding examples of that—and there are many of them that I think have been brought to your attention very well today by the minority—is in the area of agriculture.

Under the Appalachian legislation, funds have been appropriated to start construction on 10 watershed projects in Appalachia that most probably would not have been started otherwise. I would like to suggest, and I think the evidence is clear—and especially those who live in agricultural areas, the breadbasket, will understand this—that if there is anywhere in this country where 10 extra watersheds are needed, it is in the rich farm areas of the Midwest, where soil and water are much more valuable than in Appalachia.

At the present time we are hoping to complete the protection of small watersheds in this country by the year 2000; and unless the present rate of work is stepped up, this goal will not be met. It is essential that it be met. The cost-benefit ratio of this kind of program in the Midwest area, where we are losing the best sail every year by millions of tons down the streams and on down into the Delta area, is very favorable to the building of projects there. The loss of natural resources presently is irretrievable, and it ought to concern us more than it does.

This program and this section gives preferential treatment to Appalachia in the area of agriculture. My amendment would not handicap them in the least. Their present programs would go forward, but on an equal and equitable basis with the rest of the Nation.

I suggest to you again—as can be borne out by the statistics—that Appalachia is not the breadbasket of this country by any stretch of the imagination. A good deal of the farmland in this area is marginal, to say the least, and yet by this legislation we are doing more for soil and water conservation there than anywhere else in the country. Nothing demonstrates more to my mind the misplaced priorities set by the administration under the Appalachia program than the favoritism it shows in the areas of watershed development.

In the last few years the Mississippi River has been flooding with all too frequent regularity. In the low lying Mississippi River basin we simply cannot build big reservoirs such as those built on the Missouri River. The cost, because of population density and the rich farmland which lies in this area, would also be too prohibitive. One way, and one of the best ways to control the potential floodwaters in this area, is through a completed small upstream watershed development program, so that we could control the rain where it falls, in the upper reaches of our streams. It would give us an opportunity to take full advantage of the raindrop where it falls.

I remind you that these floods we have periodically in the whole Mississippi River Valley area, including the Ohio River Valley area, costs us millions yearly, and the quicker we get at the watershed program in that area, the better it will be for the country.

I suggest to you that this is unjustified favoritism, and I urge you to vote for my amendment.

Mr. JONES of Alabama. Mr. Chairman, I oppose the amendment. I am quite surprised that the gentleman from Iowa insists upon the slogan which he has employed of "favoritism." Yesterday the gentleman from Tennessee [Mr. DUNCAN] placed in the RECORD figures showing the disparity of Federal funds being invested in soil conservation in Iowa and other States and the State of Tennessee. For example, the Federal per capita investment in Iowa is $75.85. In the State of Tennessee it is $9.96.

If there is any favoritism being utilized in our Government, the gentleman is the recipient of that bounty. The way to go about making a reassessment and reappraisal is for the gentleman from Iowa to offer a bill in which he wants to equalize all the payments to agricultural pursuits. Let me remind the gentleman from Iowa of something further. We are spending an average of over $65 million a year on the Mississippi River. It receives more money annually, and has, than any other river because of the great need on that river.

Now, to come up and say because the people in Appalachia have not fully employed the soil conservation uses and practices, that they should be denied, because they are going to take it from some other area, is without foundation. Let us get along with the business of trying to achieve the very things the gentleman says this country should have.

I hope the amendment is defeated.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the distinguished Speaker.

Mr. McCORMACK. Mr. Chairman, we have to realize that we are considering in this bill a very wide area of our own country, in which millions of Americans who are human beings live, who have for decades and decades been living under economically depressed conditions—chronically so.

This is not special treatment, as my friend from Iowa said in his remarks. I come from Massachusetts. I have voted for every farm bill. There are no farms in my district. I did not think I was giving them special treatment. I considered it was in the national interest of our country. It is only within the last few weeks that we have programed important projects for Members on both sides of the aisle, and they passed this House. They are located in other sections of the country, and I voted for them. If there was a rollcall vote and a tie vote, I would have voted for them. But I do not consider that I was giving special treatment to the great areas of our country where we developed dams for flood control and conservation for the protection of life and property of our citizens and in the development of our great rivers. I consider those projects are in the best interests of our country and the people of our country.

So if we apply the rule of special treatment, every bill up here that does not concern our section of the country we could vote against simply because of the term "special treatment." So this is not special treatment. It seems to me to be justice under the circumstances, applicable to a wide area of our country in which millions of fine Americans live.

I join with my friend from Alabama in expressing the strong hope that the amendment of the gentleman from Iowa will be defeated.

Mr. SCHWENGEL. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Iowa.

Mr. SCHWENGEL. Mr. Chairman, I do not have the time to answer. There are some logical answers to the statements made by both the gentleman from Alabama and the distinguished Speaker. I ask unanimous consent that I may extend my remarks following those statements by these gentlemen.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

[Mr. SCHWENGEL addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. SCHWENGEL].

The amendment was rejected.

AMENDMENT OFFERED BY MR. CLEVELAND

Mr. CLEVELAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLEVELAND: On page 55, after line 10 insert the following:

"(2) by inserting after the clause relating to the counties in Alabama the following:

"'In Connecticut, the county of Litchfield;';

"(3) by inserting after the clause relating to the counties in Kentucky the following:

"'In Maine, the counties of Aroostook, Franklin, Oxford, Penobscot, Piscataquis, and Somerset;';".

On page 55, line 11, strike "(2)" and insert in lieu thereof "(4)".

On page 55, after line 12 insert the following:

"In Massachusetts, the counties of Berkshire and Franklin;"

On page 55, strike out lines 18 through and including 21 and insert in lieu thereof the following:

"In New Hampshire, the counties of Belknap, Carroll, Cheshire, Coos, Grafton, Merrimack, and Sullivan;

"In New York, the counties of Albany, Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Columbia, Cortland, Delaware, Dutchess, Essex, Franklin, Fulton, Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison, Montgomery, Oneida, Onondaga, Ontario, Oswego, Otsego, Rensselaer, St. Lawrence, Saratoga, Schenectady, Schoharie, Schuyler, Seneca, Steuben, Sullivan, Tioga, Tompkins, Ulster, Warren, Washington, Wyoming, and Yates;".

On page 55, line 22, strike out "(3)" and insert in lieu thereof "(5)".

On page 55, line 24, change the period to a semicolon and insert "and" at the end of the line.

On page 55, after line 24 insert the following:

"(6) by inserting after the clause relating to the counties in Tennessee the following:

"'All the counties of Vermont;'."

Mr. CRAMER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read.

Mr. PERKINS. Mr. Chairman, I object. We want to know what is in the amendment.

Mr. WRIGHT. Mr. Chairman, I do not wish to object, but I should like to inquire if the gentleman from New Hampshire can list all these counties in 5 minutes?

Mr. CRAMER, Mr. Chairman, I withdraw my request.

The Clerk concluded the reading of the amendment.

Mr. JONES of Alabama. Mr. Chairman, I ask unanimous consent that the time be limited on this amendment and all amendments thereto to 10 minutes.

Mr. CLEVELAND. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. CLEVELAND. Mr. Chairman, I believe it is appropriate that I offer this amendment just following the debate on the previous amendment. I should like to place perhaps particular emphasis on the words of the Speaker of the House.

I was very impressed by the Speaker's remarks. He said he had voted for many bills that left out his district and the Commonwealth of Massachusetts. I want to assure him that, included in my amendment, which brings into the Appalachian region what many of us consider to be the crowning glory of the Appalachian Mountain Range—for we are including the Berkshire Mountains, and beautiful Mount Greylock. My distinguished colleague, the gentleman from Massachusetts [Mr. CONTE], who represents the Berkshire area, fully and strongly supports my proposal.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. CLEVELAND. I yield to the distinguished Speaker.

Mr. McCORMACK. I did not say Massachusetts was left out, I said "which did not concern Massachusetts."

Mr. CLEVELAND. I thank the gentleman.

I did want the Speaker to know that the Berkshire Mountains may now be included in Appalachia, as every dictionary and geographic definition has already placed them in the Appalachian chain.

This is true also of the Katahdin Mountain Range in Maine, the White Mountains in New Hampshire, the Green Mountains in Vermont, the Catskill and Adirondacks of New York.

If we are to have an Appalachian region, let us have all of it. What they have done with the Appalachian region is that they have decapitated this beautiful range of mountains and cut off the most beautiful part of it.

My amendment would right this situation. It would bring into Appalachia all of Appalachia.

Because of constant remarks, particularly from the majority, that this is not special-treatment legislation, surely there can be no objection to doing this.

I thought at first that the committee would accept the amendment. It calls for no new additional expenditures. It will be quite a while, of course, before these States and counties can be cranked up and be brought under the expenditure process.

If we are to have an Appalachian region, it is only logical and fair to have it include all of the Appalachian chain.

Mr. McCARTHY. Mr. Chairman, will the gentleman yield?

Mr. CLEVELAND. I do not yield. You will have to get your own time.

I want to say this: This map, this contour map, which I have here, shows conclusively that the areas I have called to your attention are a part of the Appalachian Range. The words "Appalachian Mountains" are written across these areas of the country that I seek to bring into the program. But even more important, more logical and compelling, is the fact that Congressman McEWEN and I, who both serve on the Committee on Public Works, and who listened faithfully to the evidence in support of Appalachia through the long hearings 2 years ago, came to the same conclusion. When they were describing the hill country of western Pennsylvania, western North Carolina, and other parts of Appalachia, they were also describing in great detail, in precise detail, the problems facing northern New England and northern New York.

At one time these areas too had forest-based industry and a fine farming industry, but outmigration has taken its toll. Many of the counties and towns in northern New England and northern New York now have populations that are only half of what they were back in the 1850's. These people went out and founded the West and made our cities great, but they have left northern New England and northern New York with precisely the same problems that have been so movingly portrayed here by the gentlemen from Texas and Oklahoma. Everything they have said in support of the Appalachia program can be said of the northern New England region.

If we are going to be fair and if we are going to be honest with ourselves, how can you deny to this part of the Appalachian region the same treatment that you are giving to the rest of the region? This amendment of mine puts to a square test whether or not this House will be fully fair to this region or only partially fair to part of it.

Mr. Chairman, I urge the adoption of my amendment, which is based not only on geographic considerations but on the economic facts that actually exist in northern New England and northern New York.

Mr. JONES of Alabama. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I can well understand the ambitions of the gentleman from New Hampshire. I think he is to be commended in wanting to obtain the expansion of Appalachia, because that is an acknowledgment within itself that Appalachia must be doing a very splendid job.

The gentleman supported title V of the Economic Development Act of 1965, as I recall it, because it provides in title V that a regional commission of New England, which includes Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, and Vermont, be set up. In title II of this bill we are developing the same type of program as is contained in title I of the bill. So what the gentleman is advocating today is that he is not satisfied with the New England regional commission arrangement to obtain the same results as in Appalachia, but he wants New England to be placed in Appalachia itself. So for that reason I see no justification for the committee taking away the organizational processes and techniques which have been used in developing Appalachia and destroying them without having any representation from

any governmental organization, or the States, or political subdivisions of the States, petitioning the Congress to establish a new type of arrangement such as he suggests.

Mr. CLEVELAND. Mr. Chairman, will the gentleman yield to me at that point?

Mr. JONES of Alabama. Yes; I shall be glad to yield to the gentleman from New Hampshire.

Mr. CLEVELAND. The gentleman has pointed out the fact that there is a New England Regional Development Commission. The gentleman has further pointed out the fact that title II of this bill, if enacted, will be based upon appropriations designed to carry out the provisions of that act. I pointed out to the gentleman, in answer to this query, that the New England Commission pertains to all of New England, which contains the seaboard area and the metropolitan areas of New England. My amendment is principally addressed to the area of northern New England and northern New York. These are rural areas and have different problems. I further pointed to the fact—and the members of the Committee should know this—that what you are proposing to give this Regional Commission is relatively inadequate and inconsequential as to amount.

Mr. JONES of Alabama. Well, it certainly has not been organized to the extent of developmental programs. That is the purpose of title II—to get the show on the road.

Mr. CLEVELAND. It is my opinion that we can get the show on the road a whole lot faster by following the approach of my amendment and I hope that it will be supported by a majority of the members of the Committee of the Whole House on the State of the Union.

Mr. JONES of Alabama. Mr. Chairman, I hope the amendment is defeated.

Mr. McEWEN. Mr. Chairman, I rise in support of the amendment.

(Mr. McEWEN asked and was given permission to revise and extend his remarks.)

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. McEWEN. Yes, I am delighted to yield to the gentleman from Oklahoma for that purpose.

Mr. EDMONDSON. Mr. Chairman, I wonder if we could obtain unanimous consent to the effect that all debate on this amendment and all amendments thereto close in 10 minutes?

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

Mr. GROSS. Yes, Mr. Chairman, I object.

Mr. McEWEN. Mr. Chairman, I rise in support of the amendment which has been offered by my distinguished colleague, the gentleman from New Hampshire [Mr. CLEVELAND].

Mr. Chairman, when the Appalachian Regional Development Act was considered in 1965, both in the committee and on the floor of this House, there was some attention given to the fact that northern Appalachia had been left out and omitted, if you please, from the scope of this legislation.

Mr. Chairman, I recall very well that certain circumstances prevailed in the House Committee on Public Works at that time which precluded the consideration of certain amendments which had been planned to be offered to this legislation. We had, as I recall, and as I am sure my colleagues will recall, a certain timetable to meet on a certain ceremony down on Pennsylvania Avenue. Hence, we were not to differ with the bill as it came from the other body.

Mr. Chairman, I am pleased that in this 90th Congress, both in the Committee on Public Works and here today on the floor of the House, we can give adequate consideration to this amendment.

Mr. Chairman, when the Appalachian regional area was first considered, all of us know that it was first considered based upon what we might call the hard core of Appalachia, but as the bill came out of the prior Congress we saw it expanded to cover other areas. We saw it extended to cover such areas as Huntsville, Ala.; Spartanburg, S.C.; Pittsburgh, Pa., and many other areas. But, it was not extended to those areas of northern Appalachia.

Mr. Chairman, may I cite to my colleagues one other fact, a fact which has to do with one county which is located in the congressional district which it is my honor to represent and with which I am most familiar. I realize the problems which exist in the great States of Maine, New Hampshire, and Vermont are similar to the problems which exist in my own State of New York. These areas are located in northern New York and in New England, and many references have been made to the fact that this problem is regional.

Mr. Chairman, when this study was made of the original hard-core Appalachian area, this county had an unemployment rate of double that of the original Appalachian region. That was before other less depressed areas were brought into the picture for consideration.

Mr. Chairman, I say that, if we are to have a Commission dealing with Appalachia, then this amendment should be adopted in order to extend the provisions to all of Appalachia.

Mr. Chairman, reference has been made by my colleague, the gentleman from Alabama [Mr. JONES], to title II of the bill. My colleague, the distinguished gentleman from New Hampshire [Mr. CLEVELAND], has pointed out the fact that this will bring in all of New England, including such affluent areas which are located in southern New England and the metropolitan areas of New England, about which I have heard none say that they have a problem with reference to economic development.

Therefore, Mr. Chairman, I submit that this amendment should be approved.

Mr. KING of New York. Mr. Chairman, will the gentleman yield?

Mr. McEWEN. I am glad to yield to my colleague, the gentleman from New York [Mr. KING].

(Mr. KING of New York asked and was given permission to revise and extend his remarks.)

Mr. KING of New York. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New Hampshire [Mr. CLEVELAND].

All of the counties in the Adirondack Mountain Range have the same criteria of those counties included in the original Appalachian Act. When we enlarged the Appalachian program to include cities like Pittsburgh, Pa., and Huntington, W. Va., it hardly seems logical to exclude those counties which are actually inside the presently defined Appalachia region. The counties which are included in the amendment certainly possess the economic, social, and cultural characteristics associated with the Appalachian region and the neighboring Pennsylvania and West Virginia counties. Generally speaking, these counties have low-median family incomes, a high percentage of families with incomes under $3,000, high unemployment figures, and a high percentage of the population with less than 5 years of formal education. In supporting this amendment, I do not feel that we are asking for any preferential treatment. On the contrary, the adoption of this amendment would simply give the people of these economically depressed areas an opportunity to achieve some higher standard of living.

It is my hope that this amendment will be favorably considered for inclusion in the Appalachian regional development program, in an effort to help the people in these counties keep pace with the economic growth of the United States and to help assist the people of these areas to share in the Nation's prosperity.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. McEWEN. I am delighted to yield to the gentleman from Vermont.

Mr. STAFFORD. Mr. Chairman, I also rise in support of the amendment offered by the gentleman from New Hampshire, and I want to be associated with the remarks of the distinguished gentleman from New York. I believe if the Appalachian Regional Act is going to cover a part of the Appalachian region it should in fairness cover all of it, and give every area in the region which can genuinely demonstrate a need for help, the opportunity to apply for the assistance which the program offers.

I thank the gentleman for yielding.

Mr. EDMONDSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. Mr. Chairman. I renew my unanimous-consent request that time be limited on this amendment, and all amendments thereto, to 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. EDMONDSON. Mr. Chairman, I have heard many times—and I am sure everyone else has—the song with the title "Poor Little Rhode Island." I never really knew the origin of that song until I discovered that this amendment our

good friend has offered has included every State in New England, or portions thereof, which is covered by the New England Regional Commission, except little Rhode Island.

So perhaps we have a new reason to sing that song, "Poor Little Rhode Island," because they are the forgotten folks in the amendment that our friend has offered.

Mr. Chairman, the gentleman from Alabama has gone directly to the merits of what is wrong with this amendment. The groundwork for a full-scale, ongoing program like the Appalachian program has not been laid as yet in most of these other regions. Most of them have not gone through the community, grassroots planning and organizational steps that were followed in Appalachia before the Appalachian program was adopted. They are now today in the process of formative steps, and are seeking the seed money and the initial grant-in-aid money that is provided in title II.

The gentleman from New Hampshire, I believe understandably, from the standpoint of his region, would like to leapfrog this process and place these areas or entire States, in some instances, in the Appalachia program without the preliminary groundwork being done that should be a part of the process of good, sound regional development programs.

I believe the fact that the gentleman did not offer this amendment in the committee speaks for itself as to the lack of planning, in the approach that he asks this House to take today on the floor of the House without committee consideration.

Mr. CLEVELAND. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. Yes; I will yield to the gentleman from New Hampshire.

Mr. CLEVELAND. The gentleman will recall during the general debate yesterday I explained the reason why I did not offer this amendment in the committee, and that was because we had planned a Republican constructive alternative proposal that would have combined the Economic Development Act in with the Appalachian Act, and would have put it into a national program in which all 50 States would participate. And that is why I did not do it, because we ran out of staff, and we ran out of time.

Mr. EDMONDSON. If the gentleman remembers his own remarks, he said we simply did not have the staff or time to plan what the gentleman wanted to do in the committee, and now he wants the Committee of the Whole House on the State of the Union, without good planning and without good staff work, to adopt a radically different approach from the approach that has been arrived at by the committee after very careful consideration in which over 20 amendments were offered——

Mr. CLEVELAND. Mr. Chairman, will the gentleman yield further?

Mr. EDMONDSON. I cannot yield further at this time.

In which 20 amendments were offered in the committee by our friends on the minority side, and during which 16 of those amendments were added to the bill. The committee did give thorough consideration to the various amendments offered by the other side. We did adopt a majority of them. Now they ask us to take an entirely different approach with regard to regional development, title I and title II.

Mr. Chairman, I hope the amendment will be defeated.

Mr. HATHAWAY. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Maine.

Mr. HATHAWAY. Mr. Chairman, I thank the gentleman for yielding.

(Mr. HATHWAY asked and was given permission to revise and extend his remarks.)

Mr. HATHAWAY. Mr. Chairman, I rise in support of the amendment expanding the area to be served and including Franklin, Oxford, Piscataquis, Penobscot, Aroostook, and Somerset Counties of Maine in the provisions of the bill.

The inclusion of these Maine counties to be eligible for benefits under the Appalachia Act is fully justified and proper.

Many similarities exist between these Maine counties and the areas already served under the act. They are sparsely populated, industrially and economically underdeveloped, remote from sources of raw materials and markets, and isolated by the lack of modern highways and other effective means of transportation.

These counties have been chronically depressed and have not fully responded to efforts to correct their economic problems. Efforts under EDA and ARA have been helpful, but these areas still lag far behind in economic development.

Outmigration from these areas has reflected the lack of opportunity for jobs and a rewarding life. These counties are a part of the least densely populated section of Maine.

During the 1930–40 census period, the population of Franklin and Somerset counties declined. During the 1950–60 period three counties, Franklin, Somerset, and Piscataquis, showed a drop. Franklin County has a smaller population today than it did in the mid-1800's.

Studies have indicated that should outmigration from Maine continue at the 1955–60 rate, the State will have lost a total of 79,000 persons between 1960 and 1975. Fifty-three percent of the people who migrate from Maine are 20 to 40 years of age, an age of great productivity.

This trend will not be reversed unless employment opportunities are created in the area. As in Appalachia, the construction of modern highways to open the area and make it accessible to sources of supply and markets is a fundamental need. Isolation has been the greatest factor which has inhibited developed and growth in these counties.

Adoption of the amendment would help overcome the serious problems which have plagued these Maine counties and other areas of New England and New York. I urge my colleagues to join me in supporting it.

Mr. McEWEN. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to my good friend, Mr. McEWEN, who I think shares this inspiration today with my friend, the gentleman from New Hampshire, and who should be commended for his energy and his resourcefulness in trying to put, by leapfrog effort, his State into the Appalachia program.

Mr. McEWEN. Mr. Chairman, I thank the gentleman from Oklahoma for those kind words. I want to assure the gentleman that this inspiration did not come to us just today because I spoke, as the gentleman knows, on this subject relating to northern New York specifically when the bill was before us 2 years ago.

The gentleman from Oklahoma referred to the fact that there has been no planning in reference to bringing this area into Appalachia. With reference to that, may I just point out that by one amendment that was adopted on the floor in the other body in 1965 a number of southern-tier counties in New York were, without prior planning of the commission, added to the bill.

So I would point out, Mr. Chairman, that the gentleman from Oklahoma will recall that there is precedent for adding areas to the Appalachian region.

Mr. EDMONDSON. May I ask the gentleman if his Governor and the Governor of New Hampshire have made a request to leave the New England Commission and become a part of the Appalachian program? Have either of you received a request from your Governor in behalf of legislation of that kind?

Mr. McEWEN. And there was no request 2 years ago when one of our New York Senators added counties in the other body.

Mr. EDMONDSON. I think the point is pretty obvious—there is not a well-grounded and well-prepared position on which the States concur and which the States' Governors have supported.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from New Hampshire [Mr. CLEVELAND].

The amendment was rejected.

AMENDMENT OFFERED BY MR. WAGGONNER

Mr. WAGGONNER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WAGGONNER: On page 39, strike out line 3 and all that follows down through and including line 10 on page 40.

Redesignate the succeeding sections and all cross-references accordingly.

Mr. WAGGONNER. Mr. Chairman, this amendment is aimed at stopping something which, if allowed, we will regret later. If this legislation does nothing else, it plows new ground and opens Pandora's box as far as the operating expenses of the medical facilities are concerned.

The language I propose to strike is that language of section 107 which authorizes grants under this section for operation—for the first time—for operation which includes initial operating funds, initial bankroll to operate these medical facilities—and to pay for the operating deficits comprising, among other items, the costs of attracting, training, and retraining qualified personnel of a demonstration health proj-

ect, whether or not this project was constructed with funds authorized by this section. These deficits and these operating funds for the first 2 years can be provided in the form of grants up to 100 percent of the money needed. For the next 3 years these funds will be reduced to 50 percent.

My friends, I can see to some extent the need for money in these needy areas to construct facilities. But this Congress is embarking upon a new program by making grant of funds for operating money that they have not done before. I am simply saying that this is something that we are going to regret because if we are going to do it in the instance of Hill-Burton grants and Hill-Burton hospitals, we are going to attempt to justify the need for this grant money to construct facilities for Hill-Burton facilities for initial operating money, and for subsidizing their operating costs, if we can justify it here.

The situation we have is this. If we accept this proposal, the Government is going to pay for the cost of building these facilities up to 80 percent of the construction costs and for 2 years you are going to pay for the total operating cost of the deficit which occurs as a result of bad operations—or any deficit that occurs.

Not only are you going to do that but you are going to fill these hospitals with people whose medical costs are defrayed by the medicare program. If that is not total federalization of medical treatment, I do not know what is.

So I am simply saying that we are beginning something here today that there is going to be a demand for in every hospital of the United States. And they can demand it because it makes no difference whether these hospitals are built with grant money provided under this program or the Hill-Burton program or not, because they can utilize funds provided by this program. I am not trying to strike construction money to buy facilities already constructed.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I am glad to yield to the gentleman from Florida.

Mr. CRAMER. The same point which the gentleman has raised in the committee, not only this year, but back in 1965 when the act was up for consideration to get independent operating costs. This is the first precedent for paying operating costs for this kind of facility, and it amounts clearly, unquestionably and unequivocally to a trend toward paying the doctors, paying the dentists, and paying the nurses. It is socialized medicine; nothing more or nothing less, so far as this money is concerned.

The Congress has always turned down proposals to put Federal money into operating facilities. We did so not so long ago, in 1963, when the House removed the Interstate and Foreign Commerce from the administration's request for mental retardation facilities construction, an act which was enacted by the Congress in 1963. We took it out. This is a bad and a dangerous precedent, particularly with operating deficits, is it not?

Mr. WAGGONNER. It certainly does not in any way say that we should not provide some health facilities for these people, to construct the facilities over and above what we are doing under the existing programs, especially the Hill-Burton program. But what I am saying is that at least if we are going to provide the money to build these hospitals, the local people ought to be able to operate them and we should not be required to operate them.

Mr. CRAMER. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman from Florida is recognized for 5 minutes.

Mr. CRAMER. I would like to ask the gentleman from Louisiana a question, and I shall yield to him for the purpose of answering it. It is true, is it not, that this bill, as now drafted, not only includes such health facilities as would be built in Appalachia under this program, but any and all administration facilities; those already in existence would be included for the first time?

Mr. WAGGONNER. It absolutely does.

Mr. CRAMER. This is much, much broader. No one knows what the expense of that program will be. Of course, they have suggested a total expense of some $50 million.

Mr. WAGGONNER. I would point out that I am leaving the $50 million figure intact, which means that we would have more money for construction of needed facilities where the facilities are needed, but we would remove the Federal Government from the proposition of having to provide an initial bankroll and operating expenses for these facilities. If we build them, the local people at least can operate them.

Mr. CRAMER. That is my opinion. I think the gentleman agrees—and I shall yield to him for the purpose of indicating in just a moment—that this is an extremely dangerous precedent for the Federal Government to get into the business of putting up this grant money, 100 percent of the cost of operating, including operating deficits; including, among other items, such items as the gentleman has suggested as training and retraining of personnel, for what? All types of qualified personnel within that facility. This is an extremely dangerous precedent, particularly where you could broaden it, applying it not only to the Appalachian Regional Development Act and the Economic Development Act programs, but all other programs.

Mr. WAGGONNER. The gentleman is absolutely correct. If we start providing operating money for hospitals in the Appalachia area, we will not stop until we provide operating money for public-owned hospitals all over the United States. I would go so far as to say that, when the first 2 years are over and the figure is supposed to drop from 100 percent of the cost defrayed to 50 percent, there will be a request to continue to provide 100 percent, because the local people cannot put up the difference.

Mr. CRAMER. I thank the gentleman. I agree with him.

I intend to support the amendment of the gentleman, because I think this is one of the most dangerous precedents we could possibly have. It becomes doubly dangerous when we broaden it to include operating deficits and items of the cost of attracting and training qualified personnel, and when we include all facilities of a demonstration health nature, not only those built under the Appalachian program, but other programs available as well, for construction. This does not bother construction, but in addition to that, there is construction under other programs available for this. Certainly we do not want to get in the business of operating costs.

I join the gentleman in his amendment.

Mr. JONES of Alabama. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not think there is a more valuable, more useful section to the entire bill than the one that is sought to be amended by the amendment offered by the gentleman from Louisiana.

It is said this is something new. The existing Appalachian Regional Development Act of 1965 contains almost the same provisions as are contained in this act which continues Appalachia. There is nothing new about it. It is already in the law. So what we are seeking to do here is to provide a hospital-operation program in the underprivileged areas, in those areas that do not presently possess the fiscal capability of providing for those facilities.

One of the things that has occurred is when we were mining coal, and coal was a profitable operation, and it had vast employment in the coal mines of Kentucky and West Virginia, the United Mine Workers built some very fine and very excellent hospitals for area use. With the reduction in employment and production of coal, the United Mine Workers could no longer continue to operate those hospitals, and they became a public liability. In order for those hospitals to continue, it was necessary for us to assure their continuation and their operation because of the vast health requirement and hospital needs of the people in that area.

This is not going to be an open-end proposition, so that every hospital in the United States is going to come forward and say they want a certain amount to pay off the deficit of operating their hospital for last year or for the ensuing year. So there would be no grants made until there had been a total estimation as to the cost to see that the operation is carried on in a businesslike and efficient manner.

What the gentleman would do is take away one of the most vital and important aspects of this bill. I plead with the Members to strike down the amendment and to keep this very fine provision which means so much to the area.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield for one question?

Mr. JONES of Alabama. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. Mr. Chairman, the gentleman has said—and perhaps he is correct—that the present legislation contains language which makes allowable the grants to operate hospitals. I

would simply ask the gentleman why it is necessary to amend the legislation now with this language, if the language they already have is sufficient?

Mr. JONES of Alabama. Mr. Chairman, I thought I had made that statement over and over again, but I want to repeat it. In 1965 we passed the Appalachian Act, which provides for a highway program until 1972. The other programs in Appalachia were passed for a period of 2 years, with the expectation of making an evaluation of those programs. So what we are doing in this act, other than for highways, is extending and amending the 1965 act.

Mr. WAGGONNER. Then the gentleman really means we are extending a new phase of the program, in that for the first time we are providing operating money for hospitals.

Mr. JONES of Alabama. We provided that in the 1965 act.

Mr. WAGGONNER. We provided operating money for hospitals?

Mr. JONES of Alabama. In section 202, subtitle C, we made those provisions that are contained in the existing act.

Mr. WAGGONNER. Then I ask again why do we amend the language today?

Mr. JONES of Alabama. Because the act has expired. The act of 1965 was for only 2 years.

Mr. WAGGONNER. By this legislation today we would extend it 5 years?

Mr. JONES of Alabama. We would extend it 2 more years.

Mr. GROSS. Mr. Chairman, I move to strike the necessary number of words.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. CRAMER. Mr. Chairman, will the gentleman yield to give me an opportunity to make a few brief observations?

Mr. GROSS. I yield to the gentleman from Florida.

Mr. CRAMER. It was understood, I say to the gentleman from Alabama, and the report of 1965 shows, on page 14, that the money would only be used for operating expenses for deficits. The gentleman is correct in saying it is broadened to include operating expenses.

Second, on the subject of what the amendment is needed for and why it is in the bill, the report last time, in 1965, specifically said:

> Funds will not be available to other hospitals presently in existence or those that will be constructed under other public or private programs.

This bill takes away that prohibition and makes the money available to all these other hospitals. Is that not correct?

Mr. JONES of Alabama. That is what I said.

Mr. CRAMER. I thank the gentleman.

Mr. GROSS. Mr. Chairman, I take this time to ask the chairman of the subcommittee, the gentleman from Alabama [Mr. JONES], a question or two.

How can we in Iowa qualify for this Appalachia Mountain handout?

Mr. JONES of Alabama. You cannot.

Mr. GROSS. We cannot?

Mr. JONES of Alabama. You cannot.

Mr. GROSS. What does one have to do to qualify for it?

Mr. JONES of Alabama. You just do not qualify, period.

Mr. GROSS. What did you have to do in Alabama to get under it?

Mr. JONES of Alabama. Is the gentleman referring to what a local community does?

Mr. GROSS. I have driven across northern Alabama and I have driven across southern Alabama, and we have hills in Iowa as big and as steep as you have in Alabama. How did you qualify for this program?

Mr. JONES of Alabama. The best I can suggest—and I still do not understand the gentleman's question—is if the gentleman will come down to Alabama I will show him.

Mr. GROSS. The gentleman from Oklahoma a moment or two ago dedicated a song to Rhode Island. I do not remember the title of it. There is a song, "Stars Fell on Alabama." That should be changed to something green falling on Alabama. I would change the words to indicate that something else is falling on Alabama.

Mr. JONES of Alabama. I assure the gentleman that if he will sing that song it will be more pleasing than our conversation.

Mr. GROSS. I doubt that, but I still do not understand how Alabama qualifies.

Mr. JONES of Alabama. Because it is provided under the law.

Mr. GROSS. Would the population of Miami Beach, Fla., have to be disadvantaged to qualify? What is the criteria?

Mr. JONES of Alabama. It would require compliance with the Appalachian Act of 1965.

Mr. GROSS. How would they qualify?

Mr. JONES of Alabama. Under the Appalachian Act of 1965.

Mr. GROSS. But what did you have to do? I am interested. I assume there are some people in Iowa who are interested in making application for some of this free and easy money. Would you let us know how we can make an effort to qualify for some of this giveaway?

Mr. JONES of Alabama. I would imagine the gentleman could go about it just like he did when he came before the Public Works Committee and wanted a flood control project constructed, in the area of, I believe, Waterloo.

Mr. GROSS. Something like that.

Mr. JONES of Alabama. Yes. The same thing.

Mr. GROSS. I knew the formula for that. Now give me the formula for getting under this great big tent the way Alabama has gotten under it.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Florida.

Mr. HALEY. All you have to do to qualify under this program is live in Alabama.

Mr. GROSS. Residence in Florida will not do it?

Mr. HALEY. No.

Mr. GROSS. I thank my friend from Florida for providing me with the most information I have had on this subject.

Mr. PERKINS. Mr. Chairman, I rise in opposition to the amendment.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto conclude in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. HERLONG. Mr. Chairman, I object.

Mr. JONES of Alabama. Mr. Chairman, I renew my unanimous-consent request but put a time limit of 8 minutes.

The CHAIRMAN. Is there objection to the unanimous-consent request?

There was no objection.

Mr. PERKINS. Mr. Chairman, to my way of thinking, one of the most humanitarian acts John L. Lewis ever performed was the construction of the chain of hospitals in Pennsylvania, West Virginia, and eastern Kentucky. There are five, counting South Williamson, in the district that I am privileged to represent. When I came to the Congress we had 30,000 working miners in that district. Today in that same area we have less than 8,000 working in the mines. The problem there today is that these people have to have hospitalization. These modern hospitals were constructed in accordance with the Hill-Burton standards even though no Hill-Burton funds were expended. They were constructed entirely out of the United Mine Workers welfare fund. Later when the depressed financial resources of this coal region made it impossible to operate these hospitals a private nonprofit corporation was formed with backing of the State, the Presbyterian Church, and others to operate them. This is one of the reasons why this $28 million was included in this bill. It is true that they are in debt because the patients they serve are poor. These hospitals turn back no one. The medicare program will provide due source of support for these facilities. It is hoped that if these hospitals can get on their feet—and a portion of the $28-000,000 authorized in this bill will certainly help—that they can operate in the black and be self-sustaining

Under these circumstances it is clear this item should be retained in this legislation. It is not an open end authorization which will open up a Pandora's box or set inappropriate precedents. This is to assist on an emergency basis, nonprofit hospitals and nonprofit hospitals only in the payment of their deficits or operating expenses where nonprofit organizations have expended money to permit people to receive medical care and medical attention, people who are unable to pay their medical bills.

Now, there is nothing unusual about this expenditure. It is reasonable. This is not an excessive amount of funds. Do not strike this amount but let the hospitals that need operating expenses in the heart of Appalachia where medical facilities are the poorest in the Nation—let them have this chance for survival. These are the newest, most modern hospitals in that part of the Appalachian area. I think it would be the height of folly to turn our backs at this stage of the game on an item in this bill involving only

$28 million. It is my hope that this Chamber will not be so shortsighted as to turn down this item because those people in the heart of Appalachia, those coal miners who are unemployed and cannot pay for their hospitalization, need this desperately. Let this item remain in this bill.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. HERLONG].

(Mr. HERLONG asked and was given permission to revise and extend his remarks.)

Mr. HERLONG. Mr. Chairman, there can be no doubt that what is asked for in this bill would be helpful to those areas of our country which would receive benefits. If we pass this authorization on top of what has already been authorized and appropriated, naturally the Committee on Appropriations will interpret our action as a mandate for them to fund the program—or at least a part of it.

Now let us stop for a moment and do some sober reflecting. We are faced with a $29 billion deficit this year. Because of this the administration has asked us to pass a 10-percent surtax bill. They tell us that we must do everything possible to hold this deficit down—because to go into the money market and borrow $29 billion would border on the disastrous and would certainly run interest rates up so high, as Mr. Ackley said, it would make last year's high interest rates look like a bargain basement item. Therefore, they say, the thing for us to do is to give them a temporary tax increase bill that will net an additional $7 billion a year. Also, the administration says, the Congress must cut down on all unnecessary spending. I support the administration in this announced desire for fiscal responsibility. I believe what they have told us is right—I believe it to the point that I am willing to vote against this bill—not because it is not desirable legislation—but because it is one thing that is not absolutely essential at this time. It can be postponed or delayed—and we can prove to the administration by failing to pass this bill that we are doing our part and are even willing to make this sacrifice in order to help them achieve their desired fiscal responsibility.

So as nice as it might be to have this additional money spent, it cannot be characterized as a must at this particular time—and I ask you to join with me in showing the President and the administration that we are willing to do our part to reduce this huge deficit.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. HERLONG. I am delighted to yield to my distinguished colleague, the gentleman from Florida [Mr. HALEY].

Mr. HALEY. Mr. Chairman, I wish to associate myself with the remarks which have been made by my distinguished colleague, the gentleman from Florida [Mr. HERLONG], and to thank the gentleman for trying to bring some sense of fiscal sanity into the operations of this country.

Mr. HERLONG. I thank my colleague from Florida.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. EDMONDSON].

(Mr. EDMONDSON asked and was given permission to revise and extend his remarks.)

Mr. EDMONDSON. Mr. Chairman, I shall take only one-half of the time which has been allocated to me during which to point out the fact that if this particular program were socialized medicine and if it is what my friend, the gentleman from Florida has described it to be, I cannot imagine the medical societies of the great States of Pennsylvania, West Virginia, and Kentucky being in support of this program.

Mr. Chairman, I am told that the medical societies of all three of these States actively support this program and that there is not a single medical society in the Appalachia region that is on record in opposition to this program and with the Appalachia provisions thereof.

Therefore, Mr. Chairman, I hope this amendment will be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN].

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, serving on the Public Works Subcommittee of the Committee on Appropriations, and having heard the requests of my friends from all over this country asking for funds for projects in their areas, and having supported the bill providing funds for projects in the districts of my friends, for rivers and harbor projects, in every State of the Union, I think they might take into consideration the overall situation as it exists under present conditions, and not ask that the authorization for projects in this area be eliminated. Personally I have always believed that money spent in developing and protecting our own country was a good investment for the present and the future.

I regret to see some of my friends who ask so much and receive it for their sections, take out after this authorization for areas not nearly so fortunate.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. WAGGONNER].

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. WAGGONNER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WAGGONNER and Mr. JONES of Alabama.

The Committee divided, and the tellers reported that there were—ayes 89, noes 86.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. DENNEY

Mr. DENNEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DENNEY: On page 55, line 7, strike out "is" and all that follows through and including line 24, and insert in lieu thereof the following: "is amended by inserting after the clause relating to the counties in Maryland the following:

" 'In New York, the counties of Allegany, Broome, Cattaraugus, Chautauqua, Chemung, Chenango, Cortland, Delaware, Otsego, Schuyler, Steuben, Hioga, and Tompkins;'."

Mr. DENNEY. Mr. Chairman, there is a law of physics—that which goes up must come down.

Mr. Chairman, this is a simple amendment. My amendment deletes all of the new counties that are added to the bill under the bill we are now considering today. Those new counties are: one in New York, two in Alabama, one in Tennessee, and 20 in Mississippi.

I bring this to the attention of our colleagues—that in 1964, when the Presidential Regional Appalachian Commission reported, there were seven States with counties in them that were economically depressed and that Appalachia is a region apart geographically and statistically. It is mountain land boldly upthrust between the prosperous eastern seaboard and the industrial Middle West.

Mr. Chairman, look at what is happening here. We have a situation where we have a county in New York, Schoharie, that is being added to this bill for one reason—and that is because they need some of that $715 million to make a road across the southern border of the State of New York.

We have two Alabama counties added because of the fact that the Mississippi counties must be contiguous to qualify to get in Appalachia.

I point out to my friend, the gentleman from Iowa [Mr. GROSS], that that is one of the things that is necessary—you must be contiguous. I have in mind that if I could get a county in each State in Pennsylvania, in Illinois, in Indiana, in Ohio, and in Iowa, maybe I could get Nebraska into Appalachia. This is one of the criteria—you must be contiguous.

In addition to this, there are 20 counties in Mississippi—10 of which do qualify under title II of this bill which is being considered. There is a reason why title II is included in S. 602 and that is so that any of you who might want to get a regionally economically depressed area into some of this Government handout, you will vote for this bill that we are considering today and then you will be qualified to get some of this Federal money.

A study has been done, which appeared in the committee hearings which I attended, that a great number of the 20 counties in Mississippi and in the northeastern corner of that State—that the highest land elevation in some of those counties is 806 feet above mean sea level. Ten of those counties in Mississippi could apply and be qualified under title II of the bill we are considering. One county in Alabama could apply and qualify. I am not sure about the county in New York, but I think it could apply and come under title II.

Where is this thing going to end? When are we going to become men and women again and live up to our obligations and see to it that the Public Treasury and the Constitution of the United States are prescrved, and see to it that the American people get the kind of government that they have elected us to give them?

I am amazed. I have sat here for 9 months. I have not opened my head once until today. I have sat on committee hearings. I am amazed that it seems to be the criteria, as someone said here,

that you are interested in the bill if it affects your region but you are not interested in it if it does not affect your region. Let us be American and see to it that we do carry out the oath of office which we did take.

Sure, I recognize that these people need help. I recognize that there are economic conditions there, just like there are in Nebraska, Iowa, California, New York, and other areas which need help. One of our jobs is to see to it that it is taken care of. But let us be fair to all of our citizens throughout the United States.

Actually, no persuasive evidence was offered during the hearings of the Appalachian program which were designed to overcome geographic isolation and which would be effective in the open hill or the irregular plains area.

Mr. OLSEN. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman from Montana is recognized for 5 minutes.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. OLSEN. I yield to my chairman.

Mr. JONES of Alabama. Mr. Chairman, I ask unanimous consent that on the amendment and all amendments thereto there be a time limitation for debate of 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

(Mr. OLSEN asked and was given permission to revise and extend his remarks.)

Mr. CLARK. Mr. Chairman, will the gentleman yield?

Mr. OLSEN. I yield to the gentleman from Pennsylvania.

Mr. CLARK. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Nebraska. I strongly favor the passage of S. 602 which will extend the provisions of the Appalachian Regional Development Act.

Since it was initially introduced in Congress in 1964, the Appalachian program has been of vital interest to me and to the people whom I represent As a member of the Public Works Committee and a representative of an Appalachian district, I have been deeply interested in the progress of the Appalachian program.

I am happy to report that the program has made substantial progress since its enactment 2 years ago.

The Appalachian Regional Development Act of 1965 contains a variety of programs all aimed at revitalizing the Appalachian economy. These programs are of necessity diverse in order to solve a diversity of economic problems in the Appalachian region. All of them are certainly needed in Appalachia.

Highway construction, new vocational education schools, newer and better health facilities, the restoration of mining areas—all of these programs under the Appalachian Act are vital to the region's future. I am pleased that the bill under discussion preserves and extends these programs, each of which has begun to make an impact on Appalachia.

Pennsylvania, I am proud to say, has devoted a substantial portion of its Appalachian funds to educational projects, as have many other Appalachian States. Pennsylvania has also used the Appalachian program to build various types of badly needed health facilities, such as mental health clinics, hospital additions, and community clinics.

Pennsylvania has also put to use most of the money appropriated over the past 2 years for mining restoration projects under the Appalachian program. The Appalachian mining restoration program has enormous importance to Pennsylvania. Restoration projects begun during the past 2 years have been of great benefit to the Commonwealth.

The coal mined lands of Pennsylvania suffer problems which are unique in this country. To be sure, Pennsylvania shares the ravages of strip mining with its sister States in Appalachia as well as with non-Appalachian States. Pennsylvania provided the initiative in 1963, and several other Appalachian States have since followed suit, by enacting strict regulations governing strip mining.

The strip mining problem is, however, far from solved, and I expect that new attacks on the problem will be joined by the Federal Government and by the State governments as the result of legislation which has already been introduced.

Strip mining, however, is not the only coal mining problem to be found in Pennsylvania. Underground mine fires, burning in many old and abandoned mining operations, pose a constant threat to lives and property. The most serious of these mine fires occur in the State's anthracite region—in northeastern Pennsylvania. Yet, many also can be found in the bituminous coal fields which surround Pittsburgh in southwestern Pennsylvania.

Still another major mining problem in Pennsylvania is that of surface subsidence or mine cave-ins. These cave-ins result from past underground mining practices which underlie large areas in northeastern Pennsylvania. Scranton, Wilkes-Barre, and a host of smaller communities have been undermined and require protection from subsidence disasters.

The Appalachian program has made an excellent beginning in combating mine fires and surface subsidence. It has expanded and accelerated reclamation programs in these areas which had previously operated on a more modest scale.

But, much remains to be done. The Appalachian States have recognized the need to step up the pace in protecting and restoring coal mined areas. Since the enactment 2 years ago of the Appalachian program, six Appalachian States have enacted strict regulations governing the strip mining of coal. Pennsylvania, which passed the first major strip mining regulations in the Nation in 1963, has this year approved a $500 million bond issue out of which $50 million will be used to fight mine fires and subsidence.

The States have clearly been demonstrating their responsibility in tackling the severe mining problems in Appalachia. Certainly, we should not let them down. The $30 million which this bill authorizes for mine area restoration is the very least that we can contribute over the next 2 years to help eradicate the scars left by a hundred years of coal mining in Appalachia. I, therefore, most strongly urge that the $30 million recommended for this purpose by the Public Works Committee be approved today.

This Appalachian highway program is a relatively enormous undertaking for the region. This places something of a burden on the States which are also faced with calls on their resources by the regular Federal highway program. But the States I think recognize the value of the program and what it can mean to their Appalachian portions. They have made the commitment to see the program through. I do not see how we can do anything less.

(Mr. CLARK asked and was given permission to revise and extend his remarks.)

Mr. OLSEN. Mr. Chairman, I speak in opposition to the amendment. I want everyone to think on the question of how we have had many kinds of so-called favoritism for various parts of the country. I speak now with respect to ourselves, the State of Nebraska, and the State of Montana. We happen to be in the Great Plains conservation program, which is a supplement to the soil conservation program that is universal.

Now, get this. The soil conservation program is universal in the United States, but there are 10 Plains States, 408 counties in those 10 States, that have something more in soil conservation than any other States in the Union. In no instance is the whole State of any of the 10 States involved. It is only a portion of each of the 10 Great Plains States that are invloved.

So this proposition of relieving the distress of a particular region or the counties of a particular region is not new for any particular program. In fact, if we reach back and look at the turn of the century, when the Bureau of Reclamation was started, we will bear in mind that there are 11 reclamation States.

Mr. JOHNSON of California. It is 17.

Mr. OLSEN. Now we hear 17. All right. They started out as 11 reclamation States and now there are 17. I suppose that will grow. I hope that it shall. When reclamation is necessary in a State, I would hope the number of States that benefit from the special programs of reclamation will grow. As their needs grow, I would hope we would have the program grow to include States, or half a State, or any portion of a State where the distress is.

I think this particular bill, Appalachia, is a splendid investment in America. If we study the census, we will find out enough of our people move every year so that theoretically in 5 years they have all moved. So the problems of Appalachia are the problems of Montana. The child of Appalachia in the vocational school of today may be living in Mon-

tana or New York or California tomorrow. If that child of Appalachia has not a trade or has not a skill, then that child will be a tremendous problem at the next place of residence.

There are many other reasons that I will not belabor the Committee with. I think the majority understand we are just trying to answer a tremendous problem of one area, because it is a problem of America and it is an investment in a better America for everybody, and every State, and every region.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, may I say that when this program first started, this area of Mississippi was thoroughly qualified to have been under the program. At that time our State did not request that it be included. To exclude it at this time would be to penalize Mississippi because it did not get into the program at the start. At this time both the Governor and the Appalachian Commission have requested that these Mississippi counties be included.

As I mentioned earlier, most of this area of northeast Mississippi has been in my district only since the first of January. However, I had occasion to travel all over this area last fall. Income in this area is about two-thirds of that in Appalachia as a whole. It quite definitely is a continuation of the Appalachian region. Most of the area has the high hills and the small farms. It qualifies in every way in the world except that it did not get in at the outset. To exclude Mississippi at this time would be to penalize our State because it did not. I hope this amendment will be defeated and that these 20 counties will be treated in the same way as they would have been treated had the State seen fit to ask for inclusion at the start of this program.

The CHAIRMAN. The Chair recognizes the gentleman from New Hampshire [Mr. CLEVELAND].

Mr. CLEVELAND. Mr. Chairman, I hope the Members of the Committee will give careful consideration to this amendment, which I am constrained to support. What this amendment does is to exclude from inclusion in Appalachia relatively flatland at the southern end of the chain. Once again I refer the Members of the Committee to the map here in the House which shows the Appalachian Mountain range.

We have just voted in the Committee of the Whole not to include the Adirondack Mountains, nor the northern part of the Appalachian Mountains, the Berkshires and the White and Green Mountains. We have voted not to include them. What kind of logic is it, what kind of sense is it, and what kind of fairness is it if, at the same time we vote to exclude the northern New England and northern New York counties, which are legitimately and truly an economic part of the Appalachian Mountain range, if at the same time at the southern part of this range we include relatively flatland in the State of Mississippi?

There is no fairness to it. There is no justification to it. It highlights and underscores above all the essential unfairness and preferential treatment of this program.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. JONES], to conclude debate on this amendment.

Mr. EVINS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Tennessee.

(Mr. EVINS of Tennessee asked and was given permission to revise and extend his remarks.)

Mr. EVINS of Tennessee. Mr. Chairman, I want to associate myself with the remarks of the distinguished chairman of the Subcommittee on Public Works, the gentleman from Alabama [Mr. JONES], in support of this bill. I oppose the pending amendment and urge defeat of the amendment. This program is a success—it is needed—it is opening up our area, it is bringing in industry to Appalachia.

In this connection, this bill provides for the addition of Cannon County, Tenn., to the Appalachian region as officially designated in the act. This county was inadvertently omitted from the region in 1965, and its inclusion now corrects that error.

The report of the Committee on Public Works accurately describes the conditions in this county, and I would like to emphasize those conditions by quoting one paragraph of the committee report:

> Cannon County, Tennessee, presents a pattern of distress in excess of the average of the counties which presently constitute the Appalachian region. Its per capita income in 1960 was $937 compared to a regional average of $1,453. Income per member of the labor force was $2,327 compared to a regional average of $4,082 and the value of product sold per farm was $1,644 compared to $3,211. Manufacturing employment in the county fell by 25.1 percent in the fifties while for the region the decline was 1.9 percent; between 1950 and 1960 the county lost 6.9 percent of its population. None of the county's population is urban.
>
> Unemployment in the county was less than half the regional average which is probably a reflection of its nonurban structure. This is also reflected in the fact that its proportion of white-collar workers is half the regional average.

Mr. Chairman, Cannon County, added in this bill, is in the congressional district which I am honored to represent in the Congress.

The program of the Appalachian Regional Commission holds promise for growth and progress in Cannon County. It is creating jobs and employment—and it is helping to bring a new and productive way of life to our people.

The Appalachian Commission has been able to increase the availability of education facilities in the region by allocating more than $50 million for this purpose in the last 2 years. For example, more than 70 vocational education schools have received Appalachian aid. These are providing the skills in the labor force that can help to overcome its educational and unemployment problems. With the defeat of the pending amendment and the passage of this bill Cannon County, as well as the rest of the region, will benefit from these programs.

The bill as reported by the committee should be passed in the public interest.

Mr. JONES of Alabama. Mr. Chairman, the counties that were added in this bill were added at the request of the Appalachian Commission. It did not increase the amount but made the apportionment to the 20 counties in Mississippi and to the two counties in Alabama and to the one county in Tennessee.

So this was not done by the committee in making selections of counties, but upon the solicitation of the Governors of the States in their deliberations, because they felt that it was in the area which had been established as Appalachia. The great need was there; therefore, there was ample justification for including those counties.

I hope that the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska [Mr. DENNEY].

The amendment was rejected.

The CHAIRMAN. Are there any further amendments to be offered to title I? If not, the Clerk will read.

The Clerk read as follows:

TITLE II—AMENDMENTS TO THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

SEC. 201. Subsection (a) of section 503 of the Public Works and Economic Development Act of 1965 is amended by striking the semicolon after clause (2), inserting a comma, and the following: "including the development of a comprehensive long-range economic plan approved by the Secretary;".

SEC. 202. Subsection (c) of section 505 of the Public Works and Economic Development Act of 1965 is amended by adding at the end thereof the following:

"Not to exceed $2,500,000 of the funds authorized to be appropriated by this subsection for each fiscal year shall be allocated by the Secretary to each regional commission to carry out the purposes of this section."

SEC. 203. Section 509 of the Public Works and Economic Development Act of 1965 is amended by redesignating such section as section 510 and by inserting after section 508 the following new section 509:

"SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

"SEC. 509. (a) In order to enable the States and other entities within economic development regions established under this Act to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the Secretary is authorized, once a comprehensive long-range economic plan established pursuant to clause (2) of section 503(a) of this Act is in effect, and pursuant to specific recommendations, approved by him, of the regional commissions heretofore or hereafter established under this title and after consultation with appropriate Federal officials, to allocate funds appropriated to carry out this section to the heads of the departments, agencies, and instrumentalities of the Federal Government responsible for the administration of such Federal grant-in-aid programs, to be used for the sole purpose of increasing the Federal contribution to projects under such programs above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. No program or project authorized under this section shall be implemented until (1) applications and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal

laws which he administers that are not inconsistent with this Act, and (2) the Regional Commission involved has approved such program or project and has determined that it meets the applicable criteria under section 504 and will contribute to the development of the region, which determination shall be controlling. Funds may be provided only for Federal grant-in-aid programs for which funds are available under the Act authorizing such programs. Funds so provided shall be available without regard to any appropriation authorization ceilings in such Act.

"(b) The Federal portion of such costs shall not be increased in excess of the percentages established by each commission, and shall in no event exceed 80 per centum thereof.

"(c) The term 'Federal grant-in-aid programs' as used in this section means all Federal grant-in-aid programs in existence on or before August 1, 1967, assisting in the acquisition of land or the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by title I of this Act and by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; and National Defense Education Act of 1958. The term shall not include any program in which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this section, and shall not be taken into account in the computation of allocations among the States made pursuant to any other provision of law.

"(d) There is hereby authorized to be appropriated to the Secretary for use in each of the regions for the purposes of this section the sum of $5,000,000 for the period ending June 30, 1968, and the sum of $10,000,000 for the fiscal year ending June 30, 1969.

"(e) An application for a grant under this section shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under this section shall be approved for assistance."

SEC. 204. The Public Works and Economic Development Act of 1965 is amended by adding at the end of title VI thereof the following new section:

"ADMINISTRATION, OPERATION, AND MAINTENANCE

"SEC. 604. No Federal assistance shall be approved under this Act unless the responsible Federal official is satisfied that the project for which Federal assistance is granted will be properly and efficiently administered, operated, and maintained."

Mr. JONES of Alabama (interrupting the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

AMENDMENT OFFERED BY MR. FARBSTEIN

Mr. FARBSTEIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FARBSTEIN: On page 56, after line 12, insert the following:

"SEC. 201. (a) Section 105 of the Public Works and Economic Development Act of 1965 (79 Stat. 522; Public Law 89-136) is amended to read as follows:

"'SEC. 105. There is authorized to be appropriated to carry out this title not to exceed $500,000,000 per fiscal year for the fiscal years ending June 30, 1966, and June 30, 1967, and not to exceed $665,000,000 per fiscal year for the fiscal years ending June 30, 1968, and June 30, 1969.'

"(b) The proviso in subsection (c) of section 201 of the Public Works and Economic Development Act of 1965 is amended to read as follows: '*Provided*, That annual appropriations for the purpose of purchasing evidences of indebtedness, making and participating in loans, and guaranteeing loans, shall not exceed $170,000,000 per fiscal year for the fiscal years ending June 30, 1966, and June 30, 1967, and $225,000,000 per fiscal year for the fiscal years ending June 30, 1968, June 30, 1969, and June 30, 1970.'

"(c) Section 302 of the Public Works and Economic Development Act of 1965 is amended to read as follows:

"'SEC. 302. There is authorized to be appropriated not to exceed $25,000,000 per fiscal year for the fiscal years ending June 30, 1966, and June 30, 1967, and not to exceed $35,000,000 per fiscal year for the fiscal years ending June 30, 1968, June 30, 1969, and June 30, 1970.'

"(d) Section 401 of the Public Works and Economic Development Act of 1965 (79 Stat. 522; Public Law 89-136) is amended as follows:

"(1) Subsection (b)(4) thereof is amended by striking out 'or' and by inserting immediately after 'two hundred and fifty thousand,' the following: 'or an area composed of compact contiguous census tracts containing at least fifty thousand persons,'.

"(2) Such section is amended by adding at the end thereof the following new subsection:

"'(f) The Secretary is authorized to provide assistance under sections 101, 201, and 202 of this Act to a project located adjacent to a redevelopment area if he finds that the assistance to such project will primarily or substantially benefit the residents of such redevelopment area.'

"(e) Subsection (g) of section 403 of the Public Works and Economic Development Act of 1965 is amended to read as follows:

"'(g) There is authorized to be appropriated not to exceed $50,000,000 per fiscal year for the fiscal years ending June 30, 1966, and June 30, 1967, and not to exceed $65,000,000 per fiscal year for the fiscal years ending June 30, 1968, June 30, 1969, and June 30, 1970, for financial assistance extended under the provisions of subsections (a)(3) and (a)(4) of this section.'"

On page 56, line 13, strike out "201." and insert in lieu thereof "202."

On page 56, strike out lines 19 through 25, inclusive, and insert in lieu thereof the following:

"SEC. 203. Subsection (c) of section 505 of the Public Works and Economic Development Act of 1965 is amended to read as follows:

"'(c)(1) There is hereby authorized to be appropriated to carry out this section not to exceed $15,000,000 per fiscal years for the fiscal years ending June 30, 1966, and June 30, 1967, and not to exceed $20,000,000 per fiscal year for the fiscal years ending June 30, 1968, June 30, 1969, and June 30, 1970.

"'(2) Not to exceed $2,500,000 of the funds authorized to be appropriated by this subsection for each fiscal year shall be allocated by the Secretary to each regional commission to carry out the purposes of this section.'"

On page 57, line 1, strike out "203." and insert "204."

On page 59, line 25, strike out "204." and insert "205."

Mr. FARBSTEIN (interrupting the reading). Mr. Chairman, I ask unanimous consent to dispense with further reading of the amendment. I will explain it.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. CRAMER. Mr. Chairman, reserving the right to object—and I shall not object—I have not seen the amendment. I shall appreciate it if the gentleman will supply me with a copy.

Mr. Chairman, I withdraw my reservation.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FARBSTEIN. Mr. Chairman, I rise to propose an amendment to title IV, section 401, of the Public Works and Economic Development Act, the measure which the committee has already proposed to amend.

My amendment, in slightly different wording and to some slightly different effect, was ordered reported by the Committee on Public Works during the last Congress. Unfortunately, the action was taken late in the session and the House did not have the opportunity to vote on the measure. The proposal, however, has had extensive hearings in committee. It is not lightly submitted. I first brought it up on the floor of the House some years ago, and I have put a great deal of research into it. I am anxious that the membership be given an opportunity to vote on it now.

The amendment is simple, but I consider it of fundamental importance. The act, as it currently reads, provides for assistance in economic development to counties or cities of 250,000 or more which have above-average unemployment. The standards appear straightforward enough and adequate to realize the intentions of the act. In reality, however, they contain a serious flaw, which prevents this legislation from being applied in those areas where it is needed most.

The key standard for assistance under this act is that the rate of unemployment of an entire county or municipality must be taken into account in determining eligibility. But as we have seen in recent years, the neediest areas of our Nation are the pockets of poverty within such generally affluent jurisdictions.

Under present law, it is now impossible to help those pockets of poverty within cities like New York, Los Angeles, Chicago, and Detroit which are generally prosperous communities. It is essential for us to attack these islands of misery. My amendment would amend the Public Works and Economic Development Act to make these islands of misery eligible for assistance.

My amendment provides that compact contiguous census tracts containing at least 50,000 persons can benefit from the terms of this law if they otherwise meet the eligibility stipulations. Some 90 localities would potentially be reached by this proposal. It is a fair proposal. I believe it does no more than to rectify an oversight made when the law was originally enacted. It was not, I believe, the intention of the framers of this act to exclude the very areas that could benefit most from it and whose need for it

was most desperate. I am persuaded that my measure—known familiarly as the neighborhood assistance bill—addresses itself to the Nation's major domestic problem, in a fashion that is just and forthright.

It is also my belief that this addition to the Public Works and Economic Development Act will require additional funding in order to be effectively carried out. Part of my amendment would thus increase annual authorization of appropriations under titles I–V by $250 million. In my judgment, this is a reasonable sum and one responsive to the needs of this amendment.

I urge my colleagues to vote for this amendment. We have had a very tough summer in our urban areas. We probably have not seen the end of trouble. It is certain that by doing nothing we will intensify despair and add to woe. I believe that this amendment will help to reverse the growing trend toward irrational behavior in our slums.

Mr. Chairman, there has been much concern expressed on the floor today for the problems of the rural areas. I sympathize with the needs of rural America. With my urban colleagues, I have voted to help rural America, but I think it is time now that rural America recognize that there is reciprocity involved, that Congress cannot continue to take Government assistance as a one-way street. The Federal Treasury is more than one big rural subsidy.

Despite the well-advertised crisis in the cities, the money spent for rural needs is today totally disproportionate to urban expenditures. The cities, after all, are receiving the uneducated, untrained, migrants from the rural areas. It is the cities which must compensate for the shortcomings in education and training they received in rural America. It is the cities which must find these people jobs. In this migration from the rural areas of men and women poorly prepared for the demands of the city lies the source of much of the current urban crisis. The cities thus pay doubly for the shortcomings in rural life—they pay in taxes for direct assistance such as this bill contains, and they absorb the men and women who come to them in search of a decent life.

Let me tell you, rural America, that we are taking your downtrodden and trying our very best to make them into useful citizens. But we desperately need help. We do not want unemployment, slums, rats, inadequate schools. We do not want riots. They are not our fate by choice. It is the responsibility of every man and woman on this floor to recognize that the city's problems are the Nation's problems. That is why I ask for your vote on this amendment.

The Economic Development Act is in itself a good one. It is meant to channel investment where the best use can be made of it. It encourages the free enterprise system. It is aimed to restore not only hope but the pride of work in men who have been persistently unemployed. From it will flow the benefits of breadwinners who can support their families, who are not tempted to the folly of violence, who can meet their needs by their own efforts. This act is in the best American tradition.

I make no claim, Mr. Chairman, that this is a panacea for the ills of the American city. But I say that it arms men of good will with one more important weapon to meet the city's needs. We will not avoid the repetition of the violence in Newark and Detroit unless we act. My amendment, I believe, will provide our local leaders with another instrument for acting wisely.

Mr. HOWARD. Mr. Chairman, I rise in opposition to the amendment.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield to me?

Mr. HOWARD. I yield to the distinguished gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, I would like to ask unanimous consent, if we can have it, to have all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. EDMONDSON. If the gentleman will yield further, it would be helpful to the other Members to know, I think, that according to information supplied to us there are only about four amendments to be offered to this title. We think we also have an agreement with reference to limiting time on three of them on the other side. So I think if we can keep the Members on the floor and work at these amendments, we can conclude in a matter of about 40 minutes with cooperation from the membership.

I thank the gentleman for yielding.

Mr. HOWARD. Mr. Chairman, the distinguished gentleman from New York [Mr. FARBSTEIN] has most eloquently stated the great plight of the cities of America. Certainly, Mr. Chairman, the gentleman is correct in stating that this Congress should provide assistance in helping the cities of this Nation, through programs such as the model cities program, the poverty program, the urban renewal programs, additional educational programs, and housing. All of these things are needed by the cities at this time.

However, his amendment to this bill does not in any way help in the fields which so badly need assistance.

Mr. Chairman, we have talked about a figure of 50,000 population, with no stipulation as to whether it should be one municipality. It could be a portion of several municipalities. We could say that we could probably create throughout this country many more than the 90 areas he stated that might be helped and assisted through the adoption of this amendment. In fact, looking back at the gerrymandering that can be done and which has been done throughout the country in the question of congressional redistricting, we could find that anything could happen. For instance, we could have the fusion of areas in adjoining States, we could have a few more from another town and thus we could create what might look like a contiguous area of 50,000 population, a requirement that might fit the provisions of this bill.

We could create 1,000 new areas that could drain money from this legislation but only hit 50,000 people in each. Certainly, this would represent a dilution of the provisions of this bill. However, if we dilute this bill so much that the outlying areas cannot provide the services needed for their people, we will find these people moving into the cities and thereby further compound the problem that the cities have today.

Mr. Chairman, it is to our interest to see that the people, all of the people, become better off economically outside the cities, because these are the people who move into the cities, not the people with good incomes and with good jobs, but the people who cannot make a living outside the cities, and particularly in the Appalachian area. In the last few years we have seen over 2 million people leave that area. Most of them have come to the cities and have caused a greater problem, people whom we should provide with better opportunity, better jobs, in order that they may live within their own areas under provisions of legislation greater than are contained in a mere amendment to this bill today.

So, certainly, Mr. Chairman, I am concerned that the Committee on Public Works shall concern itself with this problem and will hold hearings thereon within the very near future.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. HOWARD. I am glad to yield to the distinguished chairman of the Committee on Public Works.

(Mr. FALLON asked and was given permission to revise and extend his remarks.)

Mr. FALLON. I have discussed the amendment which has been offered by the distinguished gentleman from New York [Mr. FARBSTEIN] with the gentleman as well as with the members of the committee and with the counsel of the Committee on Public Works.

We have come to the conclusion and belief that this amendment should be discussed in the legislation dealing with the EDA, when we consider it again.

It is, therefore, our hope that we shall be able to hear it again this year and if not this year, the first part of next year.

Mr. HOWARD. I thank the distinguished chairman.

Mr. Chairman, this amendment, if adopted, would do very little with reference to the problems with which our cities are faced today. However, it would do a great deal of harm to the other areas of the country which are presently in the process of helping their own economic development. Certainly, the gentleman has stated a sound program and it needs to be done this year. Certainly, the plan which has been offered by the gentleman should be heard by the Committee on Public Works. However, this is not the time nor the piece of legislation under which and during which to consider this amendment, an amendment which would raise the hopes of the city people that through the adoption of such amendment we will be able to really get at the heart of our problems.

The cities have problems, many of them, and all of us want to begin work upon the solution of these problems. Certainly, we should do more along this line than we have done in the past. However, we should work on this problem in the future in the proper way.

Mr. Chairman, I urge the defeat of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Chairman, I yield back the balance of my time and ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. FARBSTEIN].

The amendment was rejected.

AMENDMENT OFFERED BY MR. CRAMER

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAMER: On page 56, strike out line 10 and all that follows through and including line 8 of page 60.

Renumber the titles and sections of the bill, and references thereto, accordingly.

Mr. CRAMER. Mr. Chairman, this is a simple amendment. It simply strikes title II which embodies amendments to the Public Works and Economic Development Act of 1965, not to the Appalachian Act. Title II does not belong in this bill in the first place. My amendment is a good way to get it out.

This bill was supposed to deal only with Appalachia. Suddenly Appalachia became stretched all over the United States, so far as this bill is concerned, with these regions—Four Corners, Ozarks, Upper Great Lakes, New England, and Coastal Plains—with still others coming, being included. So the $15 million per region means over the $75 million in title II, for sure. Who knows how many other regions there will be. What title II does, very simply, is to give them another layer cake in the EDA area. They already have a grant program—here it is in the basic act—but they are not satisfied with only that. Do you know why? Because they cannot use that grant money to build highways, there are no highways built through EDA. We agreed there would not be highway programs in EDA, because we already have highway programs.

In addition to that, what title II does is permit them to spend construction money in nondepressed counties. Furthermore, everybody admits this is just "seed money," for there will be a lot more coming. This is just the beginning, and they can spend this money in nondepressed counties.

Throughout the United States there are hundreds of depressed counties that get EDA support; and in the EDA areas in these regions that I just mentioned you have to be in the depressed county in order to get the money and to get construction. Now they want this new seed money. That means, like I said before, that you can get into some pretty big expenditures shortly with expenditures in the neighborhood of $200 or $300 million for these regions to be spent in the nondepressed counties.

Title II just does not make sense. It should not be in this bill in any event. We are probably going to be considering EDA amendments next year anyway. That is when amendments of all natures, including this, should be considered. Next year; not this one.

Of course, title II just happens to be not asked for by the administration, not asked for by the Bureau of the Budget, not asked for by the executive branch of the Government; but it just happens to have been ordered in the other body because they knew they were in trouble with Appalachia. So in order to get some more funds for Appalachia, because the people outside of it know they are being discriminated against, they had to put some "incentives" in the bill for those people outside of Appalachia who are in the EDA region—and here it is, title II.

Title II got in this in the other body, so that those in the other region could be tempted to vote for Appalachia, good or bad. So it was on the basis of their getting some of the "goodies" in these other regions and hoping to buy their votes with title II.

Now, I happen to believe that the Members of this House are going to exercise their judgment based upon their best evaluation of the situation, based upon what they honestly and sincerely believe should be done in their districts. I commend them for doing so, and I only hope they will judge it on that basis, rather than swap votes between EDA and Appalachia.

I repeat—it was not asked for by the administration. It does not make sense to put this money into nondepressed counties, as it can be done.

I hope that this matter will be considered at the proper time when the EDA authorization is up for consideration.

Mr. FULTON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I am delighted to yield to the gentleman from Pennsylvania.

Mr. FULTON of Pennsylvania. You know that we States of Appalachia also have helped Florida. For example, I am the ranking member of the Committee on Astronautics and Science, and I remember well the matter of the Merritt Island Causeway to go over to Cape Kennedy in order to let the Florida people go to their jobs quickly and get back quickly. That was put in at Federal Government expense. I think that was very fine and I am glad to have you do that. But do you not think the people of Appalachia should be entitled to get out of the hills with the same kind of help?

Mr. CRAMER. This deals with areas outside of Appalachia, I will say to the gentleman from Pennsylvania.

Mr. EDMONDSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, so far as the 19 States of this Union are concerned, this is the meat of the coconut in this bill that we are talking about right now. Because there are 19 States that make up the five regional commissions that have been established pursuant to the bill that we passed on August 12, 1965, the Public Works and Economic Development Act of 1965.

By a vote of 246 to 138 this Congress told the Secretary of Commerce to establish regional commissions to try to get at the regional problems that exist throughout the United States outside of the Appalachian region and to provide planning money and organization money for these other commissions and to prepare them for a grant-in-aid program.

That is what we decided by a vote of 246 to 138 on August 12, 1965.

This has taken place in the interval since then:

On May 1, 1966, the Ozark Commission was created incorporating the States of Arkansas, Missouri, and Oklahoma.

On March 2, 1966, the New England Commission was created incorporating the States of Connecticut, Vermont, New Hampshire, Maine, Massachusetts, and Rhode Island.

On March 3, 1966, the Great Lakes Region Commission was created incorporating portions of Wisconsin, Michigan, and Minnesota.

On December 19, 1966, the Four Corners Commission was created incorporating counties within portions of New Mexico, Utah, Colorado, and Arizona.

Finally, on December 21, 1966, the Coastal Plains Region Commission was created incorporating portions of Georgia, North Carolina, and South Carolina.

Now these have been established. They have been set up and they have done their preliminary planning.

They come before us now, the five commissions, seeking assistance in their grant-in-aid programs. Their need is established, if you want to look at it, on page 400 of the hearings, establishing clear deficiencies below the national average in their grant-in-aid programs.

I think we are exercising legislative initiative when we recognize these needs and when we fund these commissions pursuant to the charter that we gave them in 1965.

Mr. Chairman, I hope that this amendment is defeated.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to my good friend, the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Oklahoma in opposition to the amendment.

I hold here a document—Arkansas Strategy for Ozarks Development.

This document was put together by people of the community as a plan for raising the economic level of the Ozark region. It illustrates their great desire to solve this problem.

I will say to my friends on our side of the aisle that if there ever was a piece of legislation that carried forward the ideology of what I feel is the philosophy of our side of the aisle, this is it. The programing and spending of money will be at the local level, to solve local problems, with local supervision and direction.

Mr. EDMONDSON. I thank the gentleman for his remarks.

(Mr. HAMMERSCHMIDT asked and was given permission to revise and extend his remarks.)

Mr. BATES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I realize the hour is late.

The supplemental grant program to be authorized by title II of S. 602 is based on the substantial experience of the Appalachian Regional Commission over a period of more than 2 years. Both the House and Senate reports on the bill call the program an "outstanding success," one which is well worth extending to other economic development regions.

Under the supplemental grant program, regional commissions may raise the authorized Federal percentage under existing grant-in-aid programs—which range from 30 to 66 percent—to a maximum of 80 percent. The degree of supplementation is determined in each case by the individual community's ability to pay. Experience under the Appalachian program shows that very few projects actually use the maximum supplemental grant available; under that program, supplemental funds have accounted for an average of approximately 20 percent of a project's total cost.

Mr. Chairman, the New England Regional Commission, recognizing the need of many of its communities for supplemental grant funds, has already taken steps to initiate a sound program for the six New England States. At its July 6 meeting in Boston, the New England Governors—Volpe, of Massachusetts, Dempsey, of Connecticut, King, of New Hampshire, Chafee, of Rhode Island, Hoff, of Vermont, and Curtis, of Maine—and the Federal cochairman adopted a resolution establishing guidelines for the supplemental grant program to be authorized by S. 602. At that time, the commission declared its intention to initiate the program as soon as funds were made available by the Congress.

Mr. Chairman, I believe the guidelines adopted by the New England Commission are responsible and constructive and provide adequate assurance that supplemental grant funds will be used to assist economically distressed communities. These guidelines—established with the full participation of the six New England Governors and their staffs and the Federal cochairmen—provide that.

First. Funds made available to the commission will be allocated among the States on the basis of population and economic need, using such factors as the State's unemployment rate and number of local governmental units;

Second. Communities applying for such grants must submit proposals for projects to the State member of the commission—the Governor—representing that community;

Third. Each State member of the commission must establish sound procedures for considering the financial resources available to communities applying for supplemental grants; and

Fourth. The commission shall recommend the approval of supplemental grants only to those projects consistent with State public investment plans being prepared by each of the New England States.

The role of the States in this program is a crucial one. The commission's guidelines require that each State develop procedures to determine the economic need and financial resources of communities applying for the grants. In this way, each Governor can direct grant funds to those areas of his State which are in the greatest need of such assistance.

In addition to showing financial need, each community will be required to demonstrate that its project is consistent with the goals and priorities established by the State in its public investment plan. These plans, financed by the commission, are now being prepared by the New England States; they will play a vital role in assuring the greatest possible returns on the public dollars to be invested.

In brief, each State public investment plan will:

First. Formulate the State's economic and social goals and objectives;

Second. Identify major growth potentials and specific programs to provide economic growth;

Third. Identify growing areas within the State;

Fourth. Determine the State's priorities for public investment; and

Fifth. Detail the State's plans for improving the effectiveness of its economic and social development planning and programing.

These State public investment plans being prepared by the New England States are not simply further exercises in restating well known needs and objectives. Each plan will be the State's principal guide for economic and social development planning and programing. In the short run, the plans will guide the commission's decisions to approve or disapprove individual applications for supplemental grants; in the long run, the plans will influence all Federal, State, and private investments in projects designed to promote economic and social development.

Mr. Chairman, I believe the New England commission's two guidelines on supplemental grants and State public investment plans are outstanding examples of what can be done through a true Federal-State partnership. In practice, these guidelines mean that each State will be able to choose among competing investments on the basis of facts and criteria mutually accepted by the State and the Federal Government. A good example would involve choosing between a manpower training center and a waste treatment facility, when limited financial resources prohibit the funding of both facilities. Through the commission, the State can make a more meaningful choice.

The amendments contained in title II of the bill would enable the regional commissions to carry on balanced programs of economic and social development. The $2.5 million in technical assistance funds would permit each commission to perform necessary research activities and assemble competent staffs of economists, transportation specialists, and urban and rural experts. The $5 million in supplemental grant funds would enable each commission to translate sound planning into needed development projects—in manpower training, regional airports, waste treatment facilities, and hospitals.

Mr. Chairman, the motion to strike title II should be overwhelmingly defeated. I urge my fellow members to give these regional commissions the opportunity and the resources to assist the thousands of citizens in their regions.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. BATES. I am glad to yield to my colleague from Massachusetts.

Mr. BOLAND. Mr. Chairman, I rise in opposition to the amendment. I find little reason to accept the minority views concerning title II of the bill.

First. The minority states that S. 602 is not the proper place for substantive amendments to title V of the Public Works and Economic Development Act of 1965; that S. 602 is designed simply to authorize funds to carry on the Appalachian program; and that titles I and II, in effect, deal with "different subjects."

Mr. Chairman, these arguments are difficult to accept. Title V commissions established by the 1965 act are modeled after the Appalachian Commission. Title V commissions have the same organizational structure and staffing pattern. And, more importantly, they have the same functions and responsibilities for promoting the economic and social development of their respective regions.

In 1965, the House Committee on Public Works regarded the enactment of title V of the Public Works Act as a logical extension of the Appalachian concept. In 1967, the committee bases its amendments to title V on the experience gained in the Appalachian program. Mr. Chairman, I am sure that most Members of the House find the committee's approach a most reasonable and sensible one.

Second, the minority states that authority to make supplemental grants is already contained in title I of the Public Works and Economic Development Act of 1965, limited, however, to redevelopment areas; and that, on the other hand, the supplemental grants to be authorized by S. 602 could be made "for projects within any county in an economic development region, regardless of its economic condition."

It is true that title I of the Public Works Act contains authority for the Secretary of Commerce to make supplemental grants to needy communities. However, these funds are limited. In fiscal year 1967, the Department of Commerce used less than $7 million for such grants, which were available throughout the country.

In fiscal year 1968, less than $5 million has been allocated for supplemental grants. Furthermore, the economic development administration's general policy of making these limited funds available to the most needy communities first—the so-called worst-first policy—will result in many economically distressed communities being left unassisted, even though they are eligible for the grants.

Mr. Chairman, it is clear that the minority has misconstrued the purpose of the supplemental grants to be authorized by the bill. They cannot be made to any community "regardless of its economic condition." The actual purpose of these supplemental grants is

clearly stated in the very first sentence of the new section 509, which would be added to the 1965 act, as follows:

In order to enable the States and other entities within economic development regions . . . to take maximum advantage of Federal grant-in-aid programs . . . for which they are eligible but for which, *because of their economic situation*, they cannot supply the required matching share, the secretary is authorized . . .

The restrictions imposed by the bill on the new supplementary grant authority are explicitly stated. Grants can be made only to communities which, "because of their economic situation," cannot supply the required matching share under existing Federal programs. The language I have just quoted is substantially identical to that used in section 214 of the Appalachian Act and title I of the Public Works and Economic Development Act of 1965. It is in no sense the radical departure that it has been made out to be, and can in no way be administered to assist "prosperous" communities, as claimed by the minority.

Third, the minority states that the funds to be provided to regional commissions in S. 602 are substantial and should not be made available prior to full hearings by the Public Works Committee.

Mr. Chairman, the bill would require the allocation of up to $2.5 million to each regional commission for research and planning and the payment of administrative expenses. As a member of the Committee on Appropriations, I must remind the minority that the Department of Commerce appropriation bill passed by the House earlier this session contains an appropriation of only $6.2 million for the title V program, even though $15 million is authorized for appropriation. With the possibility that in fiscal year 1968 five commissions will be active, it is more than likely that each commission will receive less money for research, planning, and administrative expenses in fiscal year 1968 than it did in fiscal year 1967.

The $5 million in supplemental grant funds certainly cannot satisfy the demand for such assistance in any of the title V regions. For example, when divided among the six New England States, the appropriation of the full $5 million authorization would result in an average allocation of only $833,000 per State.

Furthermore, even if the full $5 million is appropriated, the Secretary of Commerce is authorized to make these funds available to the commissions only upon the completion of "a comprehensive long-range economic plan" for the region. I believe this provision of the bill is more than adequate to assure the wise and reasonable expenditure of these grant funds.

Mr. Chairman, the amendments contained in title II of the bill represent an important and constructive step in the evolution of the title V regional commissions. They are intended to enable the commissions to initiate meaningful programs to assist in meeting the needs of the people in their regions. I strongly urge my fellow Members to reject the motion to strike title II.

Mr. BATES. I thank the gentleman. I concur in his remarks. For those who say that the program should not be considered here but ought to be considered in other legislation, I say the fact is the issue is before us. The fact is the need is clear.

Mr. Chairman, I believe this amendment should be defeated.

Mr. CONTE. Mr. Chairman, I rise in opposition to the amendment.

(Mr. CONTE asked and was given permission to revise and extend his remarks.)

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I wonder if we could get a unanimous-consent agreement at this time with regard to this particular amendment that on the amendment and all amendments thereto the debate close at about 6:15?

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

Mr. CRAMER. Mr. Chairman, reserving the right to object, so far as I am concerned, I am ready to vote now.

Mr. EDMONDSON. Mr. Chairman, I ask unanimous consent that all debate on the amendment and all amendments thereto close at 6:10 p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. CONTE. Mr. Chairman, I rise in opposition to the amendment. The amendments contained in title II are realistic and long overdue. The "seed money" provided to regional commissions is essential if they are to play an effective role in promoting economic and social development in lagging regions.

These regional commissions were authorized by the Congress in August of 1965. This motion would deny them modest sums to initiate a modest program.

The six New England States were designated an economic development region by the Secretary of Commerce, at the request of the Governors of the New England States, on March 2, 1966. The Federal cochairman, John J. Linnehan, was named to his post in January of 1967.

March 20 of this year, the six New England Governors met in Washington, and, with the Federal cochairman, adopted a charter, bylaws, and other resolutions necessary to initiate the Commission's activities. At that meeting, the State members of the Commission elected Gov. John A. Volpe, of Massachusetts, the State cochairman, and Gov. John W. King, of New Hampshire, the alternate State cochairman.

The Commission has met twice since that time, in April and again in July. At these meetings, the Commission initiated a remarkably comprehensive planning and research program with the very limited amount of funds available to it through the Department of Commerce. The Commission's initial program includes both regionwide and State planning and research.

The regionwide planning program is the Commission's major effort for its first year. The Commission has embarked on the preparation of a comprehensive economic plan for New England, as required by the enabling legislation and the amendments contained in S. 602. This plan will include—

First, an up-to-date report on all the essential components of the region's economy—natural resources, employment and income, health, education, and so forth;

Second, a comparison of the region with the Nation as a whole;

Third, an identification of the region's major economic strengths and weaknesses;

Fourth, based on its findings, the Commission's priorities for public and private action within the region; and

Fifth, the commission's overall strategy for promoting economic and social development.

The comprehensive economic plan will place emphasis on promoting the New England region's great recreation and tourism potentials, and increasing the region's foreign trade opportunities.

Additional regionwide planning is also being conducted in three areas of primary importance to the New England States:

First, the economic impact of water and air pollution on industry and commerce;

Second, weaknesses in the region's transportation network; and

Third, programs designed to fill both private and public manpower needs.

In the area of State planning, the commission has already made grants—totaling $226,750—to the six States to finance the preparation of State public investment plans. These plans will, in general, assess each State's needs and objectives for promoting economic development, and determine its own priorities for public investment in that State.

Mr. Chairman, to deny these commissions funds to carry on additional programs would greatly discourage the six Governors in my region who have worked so hard to initiate a constructive program for their States. To cut off funds at this time would make meaningless the research and planning which has already been initiated.

I urge my fellow Members to defeat this motion. Regional commissions can make a great contribution to sound and effective planning and development in many regions of the country.

Mr. CLEVELAND. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New Hampshire.

Mr. CLEVELAND. Mr. Chairman, I rise in opposition to the amendment, and I wish to be associated with the remarks of the gentlemen from Massachusetts [Mr. CONTE and Mr. BATES].

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Florida.

Mr. CRAMER. Mr. Chairman, for the purpose of the RECORD, I suggest the amendment I offer does not in any way hamper the existing EDA programs, which set up the machinery for these regions. As a matter of fact, I was the

author of the provision, when Appalachia was up before, which made it applicable to this region. This does not involve that at all. This merely strikes out new authority to put supplemental grants for nondepressed counties in those regions. It would not interfere with those commitments.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. HAYS].

Mr. HAYS. Mr. Chairman, I have no criticism of these regional commissions. I am sure the ones they have set up now, which can meet in such places as Hot Springs, Ark., and Bar Harbor, Maine, and give the Governors a little opportunity to get away for a little recreation, are normal.

I do want to pay tribute to the committee. I am aware of the political facts of life. I am an admirer of the practitioners of the art it takes to get bills passed. They have added on enough. This is logrolling at its best in the old-fashioned tradition. They have added enough regions to get the votes to get the bill passed. If any Member does not believe me, witness the confessions of Members who say: "I voted against the Appalachia bill, but I did not realize it was such a good thing." They did not say: "Until they put my region in it."

The CHAIRMAN. The Chair recognizes the gentleman from Maine [Mr. HATHAWAY].

(Mr. HATHAWAY asked and was given permission to revise and extend his remarks.)

Mr. HATHAWAY. Mr. Chairman, I rise in opposition to the motion and in support of title II of the bill. The New England States need this legislation.

New England is rightly proud of being the oldest region in the Nation, but tradition resists change. A region is like a person in that the older it gets, the harder it is to change; to realize that the old approaches are no longer adequate.

For a number of years it has been evident that the economic growth of the New England region has lagged behind the Nation's.

Northern New England's traditional reliance on a few basic industries has resulted in an undiversified industrial structure. Many of the firms within these industries have left the area or have gone out of business. Those that remain are, for the most part, struggling to survive and offer few job opportunities. New England must adjust its industries to the needs of the 20th century.

Parts of New England are still heavily agricultural. The success and specialization of farming, however, has steadily reduced job opportunities. Jobs in farming and in manufacturing, New England's traditional sources of employment, continue to decline. The necessary number of available workers are not being adequately absorbed in new industry. The result is persistent unemployment in many labor market areas.

If new jobs and new industries in these areas are not provided, the mindless migration to a few metropolitan areas of people seeking employment will continue. We must begin planning for better and more humane distribution of people and industries.

The area's transportation system, much of it dating from the building of canals, is incapable of effectively supporting new industry and of meeting the modern needs of 20th-century travel. The roads of New England trace its history but not its future. They are built along winding river banks and meander around mountains. Most of the roads existent today were laid down before many States existed.

A key to the economic future of New England is an improved transportation network. The region needs coordinated, high-speed interstate expressways to give industry easy access to major nearby distribution centers and markets. The region needs to develop an areawide air network to assist industry and exploit its recreation and tourism potentials. The region needs new rail passenger and rapid transit service to move people safely and efficiently in and out of our major urban areas.

Its community facilities in health, education, sanitation, housing, and vocational training are outmoded. New England's problem is not that it is undeveloped, but that it was developed early in our history. The leader has become the slacker. Some people were surprised at the rapid development of Germany after the massive destruction of World War II, but many economists, including Veblen, recognize that it is frequently easier to build an economy anew than it is to change an existing one.

The New England commission can be of inestimable service in the vital readjustment of the New England economy. It offers the means for a vision of a new future. The New England commissioner can plan and, with the supplemental aid, spur the redirection of New England's economy. New England's future can be as great as its past.

The forest resources of the region can be developed and protected by utilizing modern methods of conservation technology. The region's fishing industry can supply the demand for high protein food in this country and throughout the world. The new science of oceanography can create new industries for the region. But this future must be planned and the New England Regional Commission was created to provide that plan. Regional commission attempts to end the polarizations of State versus Federal governments and to create a synthesis of Federal and State resources to rebuild the country. I urge my fellow Members to oppose this motion.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. O'NEILL].

(Mr. O'NEILL of Massachusetts asked and was given permission to revise and extend his remarks.)

Mr. O'NEILL of Massachusetts. Mr. Chairman, I rise in opposition to the amendment. Its adoption would further delay an important experiment in "creative federalism" originated in the Appalachian region and subsequently extended to other economically lagging regions.

The Public Works and Economic Development Act of 1965, the legislation being amended today, passed both Houses of Congress by overwhelming margins: 71 to 22 in the Senate, 246 to 138 in the House. Both Houses held extensive hearings in 1965. Both Houses devoted a considerable period of time to testimony on title V of the act, which established multistate regional action commissions.

Significantly, Mr. Chairman, in 1965 no objection was raised—in either the House or Senate—to the establishment of regional economic development commissions. In fact, the House minority views on the 1965 act contained—on page 27 of House Report 539—a succinct and convincing summary of the economic problems of five multistate regions—the Ozarks, the upper Great Lakes, the Four Corners, the Coastal Plains, and the New England States.

Mr. Chairman, in 1965 the minority Members agreed to establish regional commissions; today, in 1967, they state it is too early to permit them to initiate activities. In 1965, the minority Members readily acknowledged the economic problems of the various regions; today, they seek to withhold the funds necessary to attack these problems.

The Congress of the United States has made its commitment to strengthening the bonds of Federal-State cooperation. To deny regional commissions these supplemental grant funds would indeed be a step backward in that commitment. In my region, the six New England Governors—Volpe, of Massachusetts; Dempsey, of Connecticut; King, of New Hampshire; Chafee, of Rhode Island; Hoff, of Vermont; and Curtis, of Maine—and the Federal cochairman, John J. Linnehan, have met four times since March 20 when the commission was formally organized.

At three working sessions, they adopted a charter and bylaws, established offices in Boston and Washington, and embarked on the comprehensive planning and research program which is required by the enabling legislation. The time already devoted to the commission by six busy chief executives is a clear indication that the Nation's Governors welcome the opportunity for full cooperation with the Federal Government, and are willing to work to make it a success.

In addition, the six New England Governors and the Federal cochairman of the commission met with President Johnson in Hartford, Conn., on May 15 to discuss the region's economic problems. At that meeting the President stated his belief that—

> We can succeed in dealing with modern problems . . . only if the Federal and State Governments are willing to work together with an exchange of ideas and information, and with the true spirit of real partnership.

Mr. Chairman, the motion to strike the amendments in title II of the bill involves much more than money. What is involved is the continued interest and commitment of nany of our Nation's Governors to Federal programs which directly involve them in their planning and administration. What is at stake is the growing faith of our Governors that this Congress and this administration are serious about building and strengthening their partnership with the Federal Government.

The regional commission program, authorized by the 1965 act and modeled after the Appalachian program, is the best example of creative federalism to date. It permits the States to play an integral part in determining how public and private funds can best be utilized to promote the economic and social development of multistate regions. It enables the States to help plan and develop programs, establish priorities for the investment of limited funds, sponsor demonstration projects, recommend modifications to existing programs, and propose new model legislation.

This promising new mechanism can point the way toward more imaginative Federal, State, local, and private efforts in economic development. It can produce more effective administration of on-going Federal programs. It can result in scarce public funds being invested so that the maximum benefits accrue to those communities in greatest need.

Mr. Chairman, the motion by the gentleman from Florida would not simply deny funds to five regional commissions; it would deny needed funds to many economically depressed communities in five multistate regions. I strongly urge the House to defeat this motion.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, I yield to the distinguished gentleman from Michigan [Mr. RUPPE].

(Mr. RUPPE asked and was given permission to revise and extend his remarks.)

Mr. RUPPE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, northern Michigan has contributed much in timber, agricultural, and mineral resources to the total development of the American economy—the greatest economy in the world. Recently, however, because of changing population trends, persistent unemployment, high tolls on the Mackinac Bridge, and a lack of adequate access roads, northern Michigan finds itself in need of accelerated economic development.

In a few moments we will consider the Vander Jagt amendment, which can produce dramatic results in the Upper Great Lakes region for a minimum amount of Federal expenditure. My hope is that partnership will be cast aside, and Congress will express its readiness, even in a limited way, to assist the economy of the Upper Great Lakes region.

If the Vander Jagt amendment is adopted the Federal investment will be returned many times over. There are two major aspects of the amendment. First, one bright hope in northern Michigan is the development of the tourist industry. There is no doubt that the upgrading of sports and commercial fishing will provide a springboard for economic progress in the northland. The Vander Jagt amendment will have a great impact on the development of this vital Upper Great Lakes resource.

In recent years the Great Lakes have been menaced by an overabundance of the anadromous-type fish known as the alewife. This is the second aspect of the Vander Jagt amendment. Last year billions of these little fish clogged water intakes during the spring spawning season. Massive die-offs of alewives cluttered and defiled our beaches and harbors, and had a devasting effect on the tourist industry in those areas. While the Federal Secretary of Interior appointed a task force to study this problem, the Michigan Department of Conservation moved into action with the introduction into the Great Lakes of a species of preditor Coho salmon. This salmon holds forth the promise of bringing the alewife under control while at the same time developing a resource for sport and commercial fishing.

Recent photographs in Time and Newsweek magazines of billions of alewives fouling the beaches from Chicago to Michigan's Upper Peninsula dramatically underscore the fact that we can ill afford wasting any valuable time available to us in correcting this problem.

The Michigan Department of Conservation is now in the process of planting between 2 to 4 million coho salmon. Our best estimates are that when we build the salmon population to about 40 million fish in the Great Lakes the terrible alewife problem will be arrested. The cost of planting, I am told, is about 5 cents per fish. The Federal Department of Interior estimates the economic value of an average 5-pound coho salmon at about $30 to $40 per fish. In other words, when our salmon population goal is reached the alewife problem will be solved and, based on an estimated catch of 2 million salmon per year, the economy of the Upper Great Lakes will receive an infusion of around $60 million per year.

Considering the magnitude of the alewife problem, and the economic gain from salmon planting, the Vander Jagt amendment is a modest request for Federal assistance. It provides $1½ million for fiscal 1968 and the same for fiscal 1969 on a 50 percent matching basis with the States. Through the Upper Great Lakes Regional Commission, for a small expenditure, we have a rare opportunity for rapid development of fishery resources with the result of bringing the alewife problem under control.

I urge the House of Representatives, with one bipartisan voice, to give the Upper Great Lakes region the support the Vander Jagt amendment deserves.

Mr. CRAMER. Mr. Chairman, I take a minute to repeat, so that the Members will not consider me the ogre some have suggested, relating to this amendment, that it will not in any way affect the present EDA commissions or the provisions under present law. That will remain. It is good through 1969.

We will be considering that next year. That is when we ought to consider this amendment and all other amendments to EDA.

The amendment here, in title II, principally permits expenditures of supplemental grant-aid money in these many regions. That is all there is to it. That is what it does. It is wrong.

That is why my amendment is proposed.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Chairman, most respectfully I want to disagree emphatically with the gentleman from Florida, on his statement that the only purpose for this particular title is to permit the expenditure of money in nondepressed counties.

I can assure the Members that in the Ozark region most if not all of the grant-aid money will be spent in depressed counties, because practically every county in the Ozark region is a depressed county. That is where the money will be spent.

My good friend, the gentleman from Ohio [Mr. HAYS] has been concerned about where some of these commissions have been meeting. I want him to know that in the six meetings which have been held so far the Ozark's Commission has not yet gone to Hot Springs.

As a matter of fact, they even went out on the farm for their last meeting. Of course, it was Winrock, which is the farm of Governor Rockefeller of Arkansas. They have not been meeting in Hot Springs but have been going about the business of preparing for a good regional program. With the help of my friend from Ohio, I am sure we will defeat this amendment and keep these regional committees.

Mr. HAYS. If the gentleman will yield, Winrock is a pocket of poverty; is it not?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. CRAMER].

The question was taken; and on a division (demanded by Mr. CRAMER) there were—ayes 60, noes 99.

So the amendment was rejected.

Mr. PUCINSKI. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have taken this time to ask the chairman of the committee a few questions about this bill.

The other day Mayor Daly testified before a committee of the Congress about the crisis of water pollution in the Great Lakes. Besides the problems of industrial wastes being dumped into the Great Lakes, one of the problems we have had and have had all summer is the problem of the alewives. It is my understanding that many things are being done to deal with this problem. We have had millions of alewives dying in the Great Lakes and being washed up on shore. This creates a tremendous problem for many communities along the shores of the Great Lakes. One of the suggestions for dealing with this problem is the development of industry that will harvest the alewives for fertilizer, for cat food, and other purposes.

Now, do I understand correctly that under this legislation and under this title the Upper Great Lakes Commission could indeed finance and develop industries along these lines in this hard-pressed area and help under the regional commission provisions of this act to develop this kind of industry to make a contribution toward reducing and perhaps eliminating the problem of alewives in the Great Lakes? Could it be done under this bill? Do I understand that correctly?

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman.

Mr. JONES of Alabama. The answer to that would be in two parts. First, the problem could be examined by the commission. The commission could make a study of the problem and what it would entail to eliminate the nuisance of these dying fish in the lake. Second, he could assist in the form of a loan to the industries that were in operation for the eradication of the blight.

Mr. PUCINSKI. I thank the chairman for this answer.

It seems to me that we in the Great Lakes and in Chicago can certainly look forward, then, to some degree of possible relief not only on the problem of lake pollution but particularly in the development of industries that could harvest these alewives and thus lessen the problem for the Great Lakes.

I thank the chairman for his explanation.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. PUCINSKI. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, I understand that we only have two amendments yet to be acted upon.

Therefore, Mr. Chairman, I ask unanimous consent that all debate on this title and all amendments thereto be concluded at 6:35 p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. PUCINSKI. Mr. Chairman, I wonder if I may propound one additional question to the chairman of the Committee on Public Works or to the gentleman from Alabama [Mr. JONES], the floor manager of this bill?

It has also been mentioned that the stocking of the Great Lakes with cohoe salmon and lake trout, would represent an effort to help meet the problem of the alewives and other lake pollution which we are experiencing in this area.

Could we possibly find some aid contained in this bill aimed in that direction?

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield further?

Mr. PUCINSKI. Yes, I yield further to the gentleman from Alabama.

Mr. JONES of Alabama. Yes; the program is one which is carried out in working with the Fish and Wildlife Service of the Department of the Interior in the nature of a general type of program. It could be initiated by the commission.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. PUCINSKI. Yes, I yield to the gentleman from Ohio.

(Mr. HAYS asked and was given permission to revise and extend his remarks.)

Mr. HAYS. Mr. Chairman, I might say to the gentleman that if the gentleman is really urgent about this and wants to hurry it up, why do you not tell them to push Chicago into Appalachia? If you do not, you will vote against it. It is just as much a part of Appalachia as is Mississippi, and they put it in.

Mr. PUCINSKI. I would say to the gentleman from Ohio that we in Chicago recognize the fact that there are national problems which exist in other sections of the Nation and we are interested in the problems of this entire country. We feel that Appalachia is a part of this country and a part of this country which needs help and assistance.

Mr. OLSEN. Mr. Chairman, will the gentleman yield?

Mr. PUCINSKI. I am glad to yield to the distinguished gentleman from Montana.

(Mr. OLSEN asked and was given permission to revise and extend his remarks.)

Mr. OLSEN. I feel that the gentleman's ideas with reference to a program being carried out in the Great Lakes would represent a really wonderful project and I shall support it just as I shall support such a program which is designed and which would be applicable to the State of Montana as well as other States, in an effort to clean up the anadromous fish and other deleterious and harmful fish that we experience in the various lakes of America.

Mr. PUCINSKI. I thank the gentleman from Montana for his contribution.

Mr. Chairman, I yield back the balance of my time.

AMENDMENT OFFERED BY MR. VANDER JAGT

Mr. VANDER JAGT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VANDER JAGT: On page 60, following line 8, insert the following new section:

"SEC. 205. Title I of the Public Works and Economic Development Act of 1965 is amended by adding at the end thereof the following new section:

" 'SEC. 107. (a) In order to assist in the economic development of the Great Lakes region by conserving, developing, and enhancing anadromous fishery resources, the Secretary is authorized to make grants pursuant to section 101 of this title, to assist in carrying out projects within redevelopment areas within the upper Great Lakes economic development region established pursuant to title V of this Act for the planning, construction, and alteration of hatchery facilities, evaluation, and egg-taking weirs, and stations for open water investigations; the improvement of habitats; and the acquisition of land and equipment associated with such hatchery facilities, weirs, stations, and habitats; except that no grant may be made under this section unless the Secretary of the Interior is satisfied that the project for which such grant is sought will benefit the Great Lakes anadromous fishery.

" '(b) A grant made under this section shall not exceed 50 per centum of the cost of the project.

" '(c) Not to exceed $1,500,000 of the funds authorized in section 105 of this title shall be available for the fiscal year ending June 30, 1968, and a like amount for the fiscal year ending June 30, 1969, to carry out this section.

" '(d) Grants received by any State under this section shall be in addition to any other assistance which such State is eligible to receive under this Act or the Act entitled "An Act to authorize the Secretary of the Interior to initiate with the several States a cooperative program for the conservation, development, and enhancement of the Nation's anadromous fish, and for other purposes", approved October 30, 1965 (16 U.S.C. 757a–757f).' "

(By unanimous consent, Mr. GERALD R. FORD yielded his time to Mr. VANDER JAGT.)

Mr. VANDER JAGT. Mr. Chairman, I thank the distinguished minority leader for yielding his time to me.

Mr. Chairman, I am also very happy that the dialog took place that did just prior to the offering of my amendment. The gentleman from Chicago asked the chairman of the subcommittee if this bill could be used to assist in solving the horrendous alewife problem that has beset Lake Michigan, and all of the States surrounding it this past summer.

The gentleman from Ohio suggested to the gentleman from Illinois that the solution would be for Chicago to come under Appalachia. I have a much simpler solution, and it does not cost a single, solitary cent. It merely redirects $1.5 million this year, and $1.5 million next year of the present Appalachia Act authorization. This $1.5 million would not be for additional research, it would be for an action program so that we could accomplish what the distinguished subcommittee chairman said he wanted to accomplish through these regional commissions, and that is get the research over and get the show on the road.

This amendment would get the show on the road.

I would like to describe to you this particular problem caused by alewives. This summer, on the 4th of July, all along the shores of Lake Michigan from Chicago up to the Leelanau Peninsula, as far as the eye could see and as far as the nose could smell, there were hundreds of millions of dead alewives that drove the tourists away from the lake shores, and from the motels and hotels, resorts and restaurants associated with the lake shore. A number of my colleagues—six of them—were vacationing over the 4th of July in my particular district, and every one of them began pulling my leg, and they said "GUY, what are you going to do about this problem?"

Do you know that our biologists, scientists, and conservationists were doing something about it right at that time, right at that particular moment? They were developing a predator fish program to convert the alewives into valuable sport and commercial fish. Part of the program involved the planting of several salmon species, the Coho salmon providing the greatest initial numbers.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(By unanimous consent, Mr. SCHWENGEL yielded his time to Mr. VANDER JAGT.)

Mr. VANDER JAGT. I thank the gentleman from Iowa for yielding his time to me.

The Coho salmon program has been tested now for 2 years in Lakes Michigan and Superior. Do you know that when these little Cohoes were planted in the spring of 1966 they were 4 to 5 inches long, weighing about an ounce each, and that today, a year and a half later, they are averaging 15 pounds? The exciting thing about this as far as the alewife problem is concerned is that for each pound of their weight they consume 10 pounds of alewives.

This program, which has been initiated by the Michigan conservation department, envisions the eventual planting each year of 30 million Coho and Chinook salmon, and steelhead rainbow trout, when fully developed. So far 2,400,000 salmon have been planted in these past 2 years. The Michigan conservation department has a present capacity for 4 million Coho salmon and so forth per year, but only at the sacrifice of its previously established fishery programs. In other words, new hatcheries must be built to provide the fish this program envisions.

You may ask why Michigan does not develop this program by itself. The truth of the matter is that the Michigan Legislature will provide half the funds, but it seems to me soundly logical that the costs of benefits accruing to other States should be shared by them. And the benefits are considerable, particularly to Wisconsin, Illinois, and Indiana in the control of the alewife.

We have not even talked about the recreational aspects of this program and they are simply fantastic. The Department of the Interior Bureau of Sport Fisheries and Wildlife agrees that we have what could be the most exciting new outdoor recreation program in the Middle West in our lifetimes.

The results to date of 1966 plantings in the Manistee and Platte Rivers are beyond our wildest dreams. Over the Labor Day weekend 19,000 fishermen caught 6,000 salmon in Lake Michigan off the mouths of these two rivers with a combined weight of 64,000 pounds. Two thousand of these fish were from this year's planting leaving 4,000 fish that averaged 15 pounds from 1966 stocking. And this is just the beginning. The Michigan Conservation Department estimates that up to 1 million pounds of salmon will be caught before the spawning run ends in October from just these two rivers. The Huron River in the Upper Peninsula flowing into Lake Superior, is also providing fantastic fishing.

What all this means, of course, is that an entirely new economic activity is being developed along the shores of Lake Michigan and Lake Superior. And the greatest blessing is that the areas which will benefit are all classified by the Economic Development Administration as depressed areas.

We have an opportunity today to provide an answer to the alewife problem. But the best part about this solution is that it turns an economic disaster into an invaluable asset. We can bring the alewife under control while providing recreation—and the resulting economic benefits—to thousands upon thousands of people. How rare is such an opportunity.

It is a wonderful opportunity that we are talking about, a very hopeful opportunity to the people of this Great Lakes area.

To put a dollars-and-cents value on this program, I have been told that it would bring $1 billion in new business to the area over a 10-year period. The total cost of the program will be $27 million, half to be borne by the State of Michigan.

The $1.5 million I am asking for in each of the next 2 fiscal years will be a major contribution to the development of this program. It will allow the Michigan Conservation Department to proceed at optimum speed.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(By unanimous consent, Mr. LUKENS yielded his time to Mr. VANDER JAGT.)

Mr. VANDER JAGT. I thank the gentleman from Ohio for yielding his time to me.

Mr. Chairman, I urge in the strongest way possible the support of the Members for this amendment.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. VANDER JAGT. Yes, I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Chairman, I thank the gentleman for yielding.

I wish to associate myself with the remarks of the gentleman from Michigan. I represent a district with a shoreline on Lake Michigan, and I know of the problems created by the alewives about which the gentleman speaks. The gentleman's amendment offers a very wonderful action program for the benefits of the people of Chicago, as well as the people of Illinois, and the people of Michigan and the other States which border on the Great Lakes.

So, Mr. Chairman, I thank the gentleman for sponsoring this amendment. I support the gentleman's amendment enthusiastically.

Mr. HUTCHINSON. Mr. Chairman, will the gentleman yield?

Mr. VANDER JAGT. Yes, I yield to the gentleman from Michigan.

Mr. HUTCHINSON. Mr. Chairman, I also want to associate myself with the remarks of the gentleman from Michigan [Mr. VANDER JAGT]

(By unanimous consent, Mr. STEIGER of Wisconsin yielded his time to Mr. VANDER JAGT.)

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. VANDER JAGT. Yes, I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Chairman, I wish to associate myself with the remarks of the gentleman from Michigan.

Mr. Chairman, I support the amendment offered by the gentleman from Michigan [Mr. VANDER JAGT]. It is a sound and realistic effort to put into operation an action program for the Great Lakes and especially Lake Michigan.

The colloquy between the gentleman from Illinois [Mr. PUCINSKI] and the chairman of the subcommittee, the gentleman from Alabama [Mr. JONES], intimated that assistance could be granted to the Great Lakes Commission regarding the alewife problem. It is readily apparent that the Great Lakes Commission already has authority under the Public Works and Economic Development Act of 1965 to do what the gentleman from Alabama indicated might be done under title II of this act. They need no additional authority or assistance.

What is needed is less study and more action, and it is this which commends the amendment now under consideration to the committee's favorable action.

I do not support this legislation in its present form which extends "creative favoritism" but under title II it would be substantially improved with the adoption of this amendment.

The people of the Sixth District of Wisconsin have suffered this summer with the problem of alewives. This amendment would provide an important step in finding the means of controlling this critical situation.

I want to associate myself with the remarks of the gentleman from Michigan [Mr. VANDER JAGT] and commend him for his leadership in this effort. The adoption of this amendment would carry out the purposes of the Economic Development Act of 1965 in the best possible way and I trust the amendment will be adopted.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. VANDER JAGT. Yes, I yield to the gentleman from Florida.

Mr. CRAMER. Mr. Chairman, I congratulate the gentleman on his amendment. I discussed this matter with him, and went into the matter rather deeply, and our staff worked with him in drafting the amendment.

As I understand it, the answer to the distinguished gentleman from Michigan was that we should have a study. This problem is far too serious and we have passed the study stage and we need action. Your amendment provides the action. This is a vehicle by which it can be done without increasing the expenses under this bill.

Mr. Chairman, I hope the amendment is adopted.

Mr. VANDER JAGT. I thank the gentleman for his support and for his comments.

(Mr. STEIGER of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. VANDER JAGT. I yield to the gentleman.

Mr. CEDERBERG. I am aware of the problems the gentleman has spoken of. I believe that this amendment is one that we should adopt because it can solve this problem and be of great economic benefit to the area.

Mr. VANDER JAGT. I thank the gentleman very much.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield?

Mr. VANDER JAGT. I yield to the gentleman.

Mr. GERALD R. FORD. Mr. Chairman, I share the views of the gentleman from Michigan and others. I endorse the amendment offered by the gentleman from Michigan and I hope that it is adopted.

Mr. VANDER JAGT. I thank the distinguished minority leader.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. VANDER JAGT. I yield to the gentleman.

Mr. PUCINSKI. Mr. Chairman, I associate myself with the gentleman in offering this amendment and I hope that it is adopted.

Mr. VANDER JAGT. I thank the gentleman from Illinois.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. VANDER JAGT].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. JONES of Alabama. Mr. Chairman, I ask for a division.

Mr. CRAMER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. VANDER JAGT and Mr. JONES of Alabama.

The Committee divided, and the tellers reported that there were—ayes 91, noes 113.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, I just want to take this time to state that I understand there will probably be three votes. The time has been fixed at 25 minutes of 7 o'clock. I understand there will be a vote on the amendment providing for a $50 million cut. If I understand correctly, there will be a vote on a motion to recommit and, I assume, on passage of the bill. The motion to recommit will include the amendment that I offered relating to retaining the present budgetary procedure in the present authority, the present agencies, rather than putting it in the President of the United States, who does not have time to handle it.

Possibly the alewives amendment may be added to the motion to recommit.

Mr. JONES of Alabama. Mr. Chairman, on behalf of the committee, I announce that we will ask for a vote on the amendment known as the Cramer amendment, No. 14, striking out some $50 million for the various activities that have been established by law in the 1965 act and continued in the present bill.

I wish to emphasize again that the committee was very deliberate in examining the justifications, and we feel that the reduction of $54 million was severe enough. If the cut is sustained, it is going to jeopardize the orderly commitments and pursuits of the program that have already been fashioned and presented by the States. I hope, Mr. Chairman, that the amendment will be voted down.

AMENDMENT OFFERED BY MR. RYAN

Mr. RYAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RYAN: On page 59, after line 24, insert the following new section:

"SEC. 204. Paragraph (4) of subsection (b) of section 401 of the Public Works and Economic Development Act of 1965 is amended by striking out 'a county, or a municipality with a population of over two hundred and fifty thousand,' and inserting in lieu thereof the following: 'a county, a part of a county with a population of fifty thousand or more, a municipality with a population of over two hundred and fifty thousand, or a part of such municipality with a population of fifty thousand or more,'."

And on page 59, line 25, strike out "204" and insert "205".

(Mr. RYAN asked and was given permission to revise and extend his remarks.)

Mr. RYAN. Mr. Chairman, the purpose of this amendment as succinctly stated is to reach the distressed and depressed areas of our cities. We have heard a great deal about depressed counties this afternoon and about the depressed rural areas of America. It is time we also focused our attention and application of title II of this bill on the problems of our cities.

Under my amendment sections of cities could be eligible to be declared redevelopment areas and therefore eligible for aid under this program. I think it is essential to meet this problem and do it now.

The Appalachian Regional Development Act is designed to deal with regional, rural poverty. As a successor to the Area Redevelopment Act, the Economic Development Act has also served principally to assist in the provision of basic economic infrastructure and commercial expansion primarily in rural depressed areas.

We have heard a lot of talk this afternoon about depressed counties. I am also concerned about depressed areas within cities.

Acute problems exist within cities, where unemployment and its repercussions are frequently more severe than in the areas currently eligible for assistance under EDA. I pointed out yesterday that these poverty areas within larger cities cannot qualify for aid unless the whole municipality is sufficiently depressed, even though they have extremely high rates of unemployment. These areas are just as underdeveloped as rural poverty areas, and the problem is compounded by the continuing rural migration of persons who are not equipped to compete in available urban job markets.

These poverty pockets should constitute redevelopment areas just as the larger rural areas are so designated. While a whole rural region can benefit from economic advancement, urban economic growth often benefits already prosperous areas, while the slums continue to languish. In New York, for example, the city department of labor forecast an increase of more than 100,000 job opportunities between 1960 and 1970, while the city's overall population is expected to stay static. However, if one examines this prediction in detail, one finds that the vast majority of these new jobs will be in professional, technical, and clerical areas. In fact, service jobs will increase only slightly, and blue-collar positions will decline by 50,000. Many of the professional-level jobs will be filled by residents of suburbs.

In the face of a generally expanding economy, the ghetto economy declines. In New York City the adult unemployment rate among Negroes is 8 percent, twice the figure for whites. And Negro teenage unemployment is soaring.

The ghetto disorders this summer, all of them in urban areas of high unemployment, are the consequence of our neglect of the cities. Existing Federal assistance under the Public Works and Economic Development Act must be made available to combat economic blight in our cities.

I have proposed such a change since 1963. We cannot afford to wait any longer. Last year the Committee on Public Works held hearings on my bill and others directed at this problem. Eugene P. Foley, Director of the Economic Development Administration, agreed at that time that urban poverty pockets warranted prompt action, and in testimony before the House Committee on Public Works, he announced that his Administration would propose a new title VII on urban redevelopment areas which would be eligible for Federal assistance to public works and business loans projects.

Yet there has been no action.

Mr. Chairman, I repeat that our cities simply cannot tolerate the continuing high rates of unemployment. We have an existing program of public works and assistance for commercial expansion before us today. However, it does not reach the decaying urban centers which might be aided under this act, but which have been arbitrarily excluded by a quirk in the geographic—though not the economic—definition of eligibility. If Harlem, Bedford-Stuyvesant, Watts, the Hough, and other festering centers of human degradation and economic retardation were to secede from their municipalities and incorporate as separate entities, they would be instantly eligible for aid under EDA.

My amendment simply provides that areas such as these, of at least 50,000 persons which meet the existing economics criteria, be considered for assistance under the act, instead of considering the metropolis as a whole, which is the present situation.

If we are to save our cities, there must be imaginative new urban programs, such as the urban coalition proposed last month. But, in the meantime, as a minimum, we must not deny urban poverty areas the benefits of existing programs. I urge the adoption of this amendment.

Mr. EDMONDSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman basically has offered the same amendment that was offered by the gentleman from New York [Mr. FARBSTEIN], which has been previously defeated by the House. It differs in this respect: The gentleman from New York [Mr. FARBSTEIN] included in his amendment some funds to make it possible to reach some of these areas. The gentleman from New York [Mr. RYAN] is not providing any funds for this. So the practicality of the amendment offered by the gentleman from New York [Mr. RYAN] is much more debatable than that offered by the gentleman from New York [Mr. FARBSTEIN].

Mr. Chairman, the Committee must oppose the amendment.

(Mr. KUPFERMAN asked and was given permission to revise and extend his remarks.)

Mr. KUPFERMAN. Mr. Chairman, I rise in support of the amendment. The Economic Development Act of 1965 should be amended to cover smaller compact and contiguous areas.

Present coverage for an entire municipality discriminates against urban areas with pockets of poverty.

When I introduced my bill, H.R. 15133, in the second session of the 89th Congress, I stated as follows on May 18, 1966, at page 10432 of the RECORD:

STATEMENT BY REPRESENTATIVE THEODORE R. KUPFERMAN, REPUBLICAN OF NEW YORK, IN THE HOUSE OF REPRESENTATIVES UPON INTRODUCTION OF A BILL TO AMEND THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965 TO BENEFIT CERTAIN ECONOMICALLY DEPRESSED AREAS IN LARGE MUNICIPALITIES, MAY 18, 1966

Mr. Speaker, I have introduced a bill which would amend the Public Works and Economic Development Act of 1965 as it relates to those areas to be designated as redevelopment areas.

Mr. Speaker, under the present law, counties or municipalities with a population of over 250,000 qualify for Federal assistance for public works and development facilities. The law, however, should be amended to extend eligibility to "compact and contiguous areas." containing a population of over 250,000.

The purpose of my amendment would be to include contiguous areas within large metropolitan areas within the coverage of the Public Works and Economic Development Act. As of now, these units do not qualify only because they are not separate entities.

While only those contiguous units of equal or greater size than the presently defined municipality of 250,000 would qualify under the proposed amendment, the largely disadvantaged areas, including New York's Lower East Side and Harlem should also be covered and would be greatly benefited by new opportunities for long-term employment and economic growth.

Thus, the present necessity for the "entire municipality" to be in economic distress before redevelopment funds are available would be eliminated. In this way, the acutely distressed areas in New York City and other very large municipalities would no longer be discriminated against and Federal help would be received where it is most needed.

Mayor John V. Lindsay, of New York City, has urged similar actions as has my colleagues Congressmen LEONARD FARBSTEIN and JAMES H. SCHEUER.

Last year, Donald Shaughnessy, an assistant to Mayor Lindsay on May 24, 1966, appeared before a subcommittee of the Public Works Committee and made the following statement in support of Congressman FARBSTEIN'S suggestion:

This amendment to the Public Works and Economic Development Act of 1965 is, in Mayor Lindsay's opinion, vital and necessary to bring the Act into accord with the demographic realities of New York City and other major urban communities throughout the country. Furthermore, the proposed amendment, will in Mayor Lindsay's opinion, further the objectives of the Employment Act of 1946 and the Economic Opportunity Act of 1964.

When Congress passed the Employment Act of 1946, it declared it to be the continuing policy and responsibility of the Federal government to "utilize all its plans, functions and resources for the purpose of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare, conditions under which there will be afforded useful employment opportunities . . . and to promote maximum employment, production and purchasing power."

As you know, Senator Taft was one of the principal architects of the Employment Act of 1946 as it was finally passed. "We declared," he said, "a general policy of the government to use all its means to bring about a prosperous condition so that people looking for work may expect to find work."

President Truman, in his memoirs, refers to the passage of the Employment Act as one of those incidents that has profound consequence to the subsequent course of events. The last twenty years have been graphic proof of his sound judgment.

In that period, the domestic environment in which the economy operates has undergone many changes yet the objectives of the economy as specifically stated or implied in the Employment Act have become increasingly acceptable and governmental machinery for implementing this policy has become increasingly sophisticated and responsive.

The Public Works and Economic Development Act of 1964 is consistent with the spirit and the purpose of the Employment Act of 1946. It, however, requires the proposed amendment in order to make it workable and realistic to meet the needs of people living in New York and other major urban communities. The short title of the Public Works and Economic Development Act declares it to be "an Act to provide grants for public works and development facilities, . . . to alleviate conditions of substantial and persistent unemployment and under-employment in economically distressed areas and regions."

The statement of purpose in the Act notes that there are regions, counties and communities which suffer from substantial and persistent unemployment and under-employment and declares it to be the purpose of the Act to help such areas "take effective steps in planning and financing their public works and economic development." Furthermore, it is declared that such areas will be provided with assistance to help themselves achieve lasting improvement and enhance the domestic prosperity by the establishment of stable and diversified local economies. This can only be done, according to the Act, by creating new employment opportunities and by developing and expanding new and existing public works and other facilities in resources.

To be eligible for grants for public works and development facilities under Title I and to be eligible for public works and facility loans under Title II, an area must be designated by the Secretary of Commerce as a redevelopment area.

Section 401(a) of the Act describes the unemployment and low income criteria that must be met to gain designation as a redevelopment area. Unfortunately, these criteria are met all too easily in many parts of New York City.

Section 401(b) describes the geographic criteria that must be met to gain designation as a redevelopment area and hence become eligible for grants and loans under Title I and Title II of the Act. This section, in Mayor Lindsay's opinion, sharply limits the discretion of the Secretary of Commerce and thwarts the declared purpose of the Act.

I am here today on behalf of Mayor Lindsay to support an amendment to paragraph (4) of subsection b of Section 401. That paragraph now reads as follows:

The size and boundaries of redevelopment area shall be determined by the Secretary provided, however, that except for area designated under subsections (a) (3) and (a) (4) hereof, no area shall be designated which is smaller than a labor area (as defined by the Secretary of Labor), a county or a municipality with a population of over two hundred fifty thousand, whichever in the opinion of the Secretary is appropriate.

Let us examine the language of paragraph (4) of subsection (b) and see how it affects approximately three million people in New York City.

First of all, they are ineligible for Title I and Title II loans or grants under subsection (a) (3) because there are no Federal or State Indian reservations nor are there restricted Indian owned land areas in New York City.

Secondly, three million people in the City of New York are ineligible to receive Title I and Title II loans or grants under subsection (a) (4) because they do not have a single major source or employment that has either moved, curtailed its activities or gone out of business. Thirdly, three million people in the City of New York are precluded from benefits available to others under Title I and Title II of the Act because New York City has not yet been designated a labor area by the Secretary of Labor. Mayor Lindsay recently requested such designation but it has not yet been forthcoming. Today, the five counties of New York City are indiscriminately lumped with Nassau, Suffolk, Rockland and Westchester counties for purposes of designation as a labor area. The logic or rationale behind this designation escapes all economists. A labor area is, simply put, an area in which a worker may change his job readily without changing his residence. If there are any members of the Committee who are not familiar with the geography of the New York metropolitan area, let me assure you that any worker whose source of employment shifts from Manhattan to Montauk is going to have to change his residence or give up all hope of seeing his wife and children. That is an eight hour round trip ride providing the trains are running. The present designation makes no economic sense, makes meaningless all statistical data gathered on a labor area basis and defies logic or rational explanation. We hope the Secretary of Labor will make the requested adjustment promptly.

Finally, three million people in the City of New York are ineligible to receive Title I and Title II loans or grants under subsection (a) (4) because they are dispersed in large, compact contiguous areas throughout the City which form only parts of the several counties.

Let us examine one of these counties. In Kings County, otherwise known as Brooklyn, there are nearly three million people. This means that borough has a larger population than twenty-seven States in the Union. Nearly one million of these people have family incomes less than 40% of the national median. The unemployment rate of these one million people has been more than 100% above the national average for at least the last two calendar years.

Therefore they more than qualify for Title I and Title II loans and grants under section 401(a) of the Act. However, because they live in compact, contiguous areas which are smaller than a labor area, a county or a municipality, they are precluded from assistance as the Act is presently written.

Thus we are faced with a needless contradiction between the declared purpose and the potential achievement. Given the demographic facts of life, the Public Works and Economic Development Act as presently written cannot achieve its declared purpose in New York City and other major urban communities throughout the Nation.

Gov. Nelson A. Rockefeller has also urged a similar amendment. His wire of September 7, 1967, follows:

ALBANY, N.Y.,
September 7, 1967.

Hon. THEODORE R. KUPFERMAN,
Longworth House Office Building,
Washington, D.C.:

In order to gain the greatest impact from the Public Works and Economic Development Act in light of present demand for increased economic opportunity by the urban population of the United States, I urge the members of the New York State congressional delegation to support an amendment to extend Economic Development Act assistance to depressed neighborhood areas of the larger cities of the Nation.

I am advised that this can be accomplished by amending the "Appalachian Regional Act Amendments and Amendments to the Public Works and Economic Development Act of

1965" (S. 602), which I understand will be considered by the House during the week of September 11.

Recent reports by the Economic Development Administration indicate that the migration of the Nation's poor to large urban complexes is continuing and will continue for at least another decade.

In a nation destined to have 90 percent of its population residing in areas classified as urban by the year 1985, it is vital to advance a series of actions aimed at providing "urban opportunity" for these people. The extension of programs such as those authorized under the Public Works and Economic Development Act could be an important step.

Specifically I urge that the Economic Development Act financial and technical assistance be extended to compact depressed neighborhood areas containing at least 100,000 persons and meeting the unemployment criteria of the act. This could be accomplished by making these neighborhoods eligible as "redevelopment areas" under title IV, part A of the act.

I also again urge your support for the extension and expansion of the Appalachian program in S. 602. New York stands to gain importantly from this legislation. The bill would provide new York $85.5 million for highways and $5 million for a variety of public works and educational projects and would bring another county into the program.

NELSON A. ROCKEFELLER.

I urge passage of the "compact and contiguous" amendment and support in general of this legislation as urged by Governor Rockefeller.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from New York [Mr. RYAN].

The amendment was rejected.

Mr. MONAGAN. Mr. Chairman, I did not support the Appalachian Regional Development Act of 1965. I questioned the basis of the proposal from an economic point of view. I felt that forced feeding of this type based upon a program in which some 80 percent of the funds was devoted to highway construction was not calculated to bring about the results which the proponents advocated.

In addition, I expressed concern at the possibility that Federal financing of infrastructure might lead to the pirating of industry from New England and the consequent loss of employment and economic activity in my own area.

I see no reason to take a different position on the legislation which is presented to us today. Not only does the approach seem impractical but events of the last 2 years do not justify the claims of its advocates. In addition, the whole enterprise raises philosophical questions which concern me greatly.

Is it a proper role of the Federal Government to attempt a direct and traumatic revolution in the social organization and way of life of a segment of its population? An article in a recent issue of Life by Secretary of the Interior Stewart L. Udall eloquently describes the dangers and unfairness of the massive intervention approach.

Should the concept of the regional economic planning be extended without the most careful consideration? Not only does the proposed legislation substantially expand the definition of "Appalachia," but it involves potential expansion of other regional authorities with vaguely defined economic goals.

If the original plan to differentiate from the rest of the country in favor of the Appalachian region was justified, then certainly the discriminatory element is vastly increased in this bill in that other sections of the country are singled out and added for special consideration.

I am disturbed by the prospect of extending and expanding regional authorities and in particular that in New England. Surely at a time when the President has asked for a tax increase and the necessity of restraining Government expenditures is obvious, we should examine requests for additional spending and expanded programs with the greatest caution. This authorization in this bill is for the amount of $220 million. This is a good opportunity to save some money.

Apart from this, however, the need for Government economic intervention in New England cannot be demonstrated. Employment is at peak levels and the rates of unemployment—Stamford 2.8, Meriden 3.2, New Haven 3.8, Waterbury 4.6—are within reasonable limits. The Waterbury Sunday Republican for September 10, 1967, showed unskilled job openings for 103 positions. The June 1967 Connecticut State report showed employment of 1.118 million, a new high for the State.

A recent report on unemployment showed the average for 1966 in Connecticut to be 3.2, Maine 4.2, New Hampshire 1.8, Rhode Island 3.7, and Vermont 3.8. While it is true that these figures might vary from time to time, nevertheless the fact is that we are experiencing in this section an economy that is booming to an unprecedented degree. The need for economic stimulation is not apparent to me.

Finally, the objectives of S. 602 call for "public investment plans" and "balanced programs of economic and social development." I do not know what these terms mean and I submit that further support of these activities should be withheld until there is a great deal more specification than we have hitherto had. We should not slip unawares into centralized bureaucratic economic planning.

Mr. BEVILL. Mr. Chairman, I rise in opposition to the amendment which would strike Lamar County, Ala., and make Lamar County ineligible under this bill.

The other body and the House Committee on Public Works both approved the inclusion of Lamar County in the Appalachian region based on the clear-cut evidence that it belongs by right of economic character.

Lamar County is also almost totally rural and agricultural. Actually, it has no urban population whatsoever. Between 1950 and 1960, its population drop was 24.3 percent, more than twice the rate of the State as a whole. Of the 67 counties in Alabama, Lamar County ranked 57th in per capita income in 1965 and that was about half the average for Appalachian Alabama. Its white collar and manufacturing employment are likewise far below the average of the State and the Appalachian region.

I would note, again, that the population Lamar loses and urban centers gain, moves closer to the evils that plague most of our cities.

Lamar County touches existing Appalachia Alabama and is adjacent to Mississippi Appalachia, which the committee also recommends for inclusion in the program. To omit Lamar would be inconsistent with the Appalachian regional development program as it has been conceived.

We have all heard mounting evidence of the worth and success of the Appalachian program. To deny its benefits to an area fully within its sphere would be illogical and unbecoming of this Congress.

Mr. WAMPLER. Mr. Chairman, I rise in support of S. 602. I believe this legislation is of great importance to the Nation as well as to the Appalachian area and it is my hope that it can be accorded favorable action by this House.

I am privileged to represent the Ninth District of Virginia, which lies in the geographic heart of that large area known as Appalachia. In the past 2 years, I have been impressed by the progress that has been made under the Appalachian program. The promise seems to increase with each passing day.

It goes without saying that both promise and progress are before us today in S. 602.

Mr. Chairman, I do not believe that dollars alone can cure the deterioration of many years. Most Members, I am sure, are aware that many sections of the Appalachian area have not kept pace with the Nation and I believe it can reasonably be said that this situation is due to the lack of an adequate tax base. As the economy deteriorates, the tax base becomes even more inadequate and the resulting cycle can carry the area into highly unfavorable circumstances.

The Appalachian Regional Commission is the instrument which can help break this cycle in Appalachia. I am happy to report today that the job is being accomplished in my section of the Appalachian area.

If opportunity is the key to progress, it is imperative that the instruments of opportunity be made available to those areas which are unable to finance these projects on their own. In the Ninth District of Virginia, the Appalachian Regional Development Act has already contributed to the financing of five technical schools. Three towns have been helped in securing sewage treatment plants. Two four-lane highways are being constructed and two additional access roads have been approved. Facilities have been improved at two hospitals. Two libraries have been aided. Two public parks are being developed. And many, many other applications for aid have been filed.

I would not be so presumptuous to infer that some of these things would not have been done had it not been for the Appalachian Regional Development Act. But I am reasonably sure that all of these projects would not have been undertaken in the absence of this act. And I am certain that without the act, the local taxpayer would have had to assume an undue burden before these things could come to pass.

Mr. Chairman, roads, vocational

schools, sewage systems and the like represent the kind of projects which can help a community or an area attract vitally needed industry. Without these things, the cycle can never really be broken.

The Appalachian Regional Development Act has proven that the job can be done, and can be done in a remarkably short time. Its provisions for Federal-State cooperation are landmarks in sensible legislation.

I urge the passage of S. 602.

Thank you.

Mr. KORNEGAY. Mr. Chairman, with the Nation facing a severe economic crisis which could add up to a $30 billion deficit this year, there must be reductions in spending. The Appalachian regional development program, which was begun as but an experiment, has helped in some areas. There is much in the program that has been beneficial, and I have voted for the program in the past. However, now is the time to tighten our belt rather than to expand big spending programs.

I simply could not vote to spend millions and millions of dollars at this time on a program that could wait until our economy could better withstand a large expenditure such as that proposed in the extention and expansion of the Appalachian program. My vote against the bill was not a vote against the program as such. It was a vote for economy and a reduction in Federal spending during this period in which Congress is being asked to raise income taxes drastically.

Mrs. HECKLER of Massachusetts. Mr. Chairman, I rise in support of title II of S. 602 as reported from the Public Works Committee.

This title would greatly improve the programs and operations of the New England Regional Commission—improvements that the commission desperately desires and needs for assisting in the economic revitalization of the New England area.

An investment of $2.5 million for research, planning, and administration seems almost too small for the tasks to be undertaken or the benefits to be expected for the people and the economy of New England.

Indeed, to effect the revitalization of economically lagging communities requires careful, rational planning—and these services are not free, nor should they be purchased at bargain-basement costs, lest we receive bargain-basement assistance.

The CHAIRMAN. Under the unanimous-consent agreement, all time has expired. Are there any other amendments to be offered?

If not, the question is on the committee substitute, as amended.

The committee substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRICE of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (S. 602) to revise and extend the Appalachian Regional Development Act of 1965, and to amend title V of the Public Works and Economic Development Act of 1965, pursuant to House Resolution 910, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee substitute amendment adopted in the Committee of the Whole?

Mr. JONES of Alabama. Mr. Speaker, I demand a separate vote on the amendment identified as amendment No. 14 offered by Mr. CRAMER, which reads as follows:

On page 55, line 3, strike "$220,000,000" and insert in lieu thereof "$170,000,000".

The SPEAKER. Is a separate vote demanded on any other amendment?

If not, the Clerk will report the amendment upon which a separate vote has been demanded.

The Clerk read as follows:

On page 55, line 3, strike "$220,000,000" and insert in lieu thereof "$170,000,000".

The SPEAKER. The question is on the amendment.

The question was taken, and the Speaker announced that the noes appeared to have it.

Mr. CRAMER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 199, nays 161, not voting 72, as follows:

[Roll No. 253]

YEAS—199

Abbitt	Denney	Jones, N.C.
Abernethy	Derwinski	Keith
Anderson, Ill.	Dole	King, N.Y.
Andrews, Ala.	Dowdy	Kornegay
Andrews, N. Dak.	Downing	Kupferman
	Dwyer	Kuykendall
Arends	Erlenborn	Kyl
Ashbrook	Esch	Laird
Ayres	Findley	Langen
Bates	Fino	Latta
Battin	Fisher	Lennon
Belcher	Ford, Gerald R.	Lipscomb
Bennett	Fountain	Lloyd
Berry	Frelinghuysen	Long, La.
Biester	Fuqua	Lukens
Blackburn	Galifianakis	McClory
Bolton	Gardner	McClure
Bow	Gathings	McCulloch
Bray	Goodell	McDonald, Mich.
Brinkley	Gross	
Brock	Grover	McEwen
Broomfield	Gubser	MacGregor
Brotzman	Gude	Mahon
Brown, Mich.	Hagan	Mailliard
Brown, Ohio	Haley	Marsh
Broyhill, N.C.	Hall	Martin
Broyhill, Va.	Halleck	May
Buchanan	Halpern	Meskill
Burke, Fla.	Hamilton	Minshall
Burleson	Hammer-schmidt	Mize
Bush		Monagan
Byrnes, Wis.	Hardy	Montgomery
Cahill	Harrison	Morton
Casey	Harsha	Mosher
Cederberg	Harvey	Myers
Chamberlain	Hays	Nelsen
Clancy	Heckler, Mass.	O'Konski
Cleveland	Herlong	Ottinger
Collier	Horton	Passman
Colmer	Hosmer	Pelly
Conable	Hungate	Pettis
Conte	Hunt	Pickle
Corbett	Hutchinson	Pike
Cowger	Ichord	Poff
Cramer	Irwin	Pollock
Culver	Jacobs	Pool
Cunningham	Jarman	Price, Tex.
Curtis	Jonas	Pryor
Davis, Wis.	Jones, Mo.	Quie
Railsback	Schwengel	Thomson, Wis.
Randall	Scott	Tuck
Reid, Ill.	Selden	Vander Jagt
Reid, N.Y.	Shriver	Watkins
Reifel	Sikes	Watson
Reinecke	Skubitz	Whalen
Rhodes, Ariz.	Smith, Calif.	White
Riegle	Smith, N.Y.	Widnall
Robison	Smith, Okla.	Wiggins
Rogers, Fla.	Snyder	Williams, Miss.
Roth	Springer	Williams, Pa.
Roudebush	Stafford	Wilson, Bob
Roush	Stanton	Winn
Ruppe	Steiger, Ariz.	Wydler
Sandman	Steiger, Wis.	Wylie
Satterfield	Stuckey	Wyman
Schadeberg	Teague, Calif.	Zion
Scherle	Teague, Tex.	
Schneebeli	Thompson, Ga.	

NAYS—161

Adams	Gibbons	Nedzi
Addabbo	Gilbert	Nichols
Albert	Gonzalez	Nix
Anderson, Tenn.	Gray	O'Hara, Ill.
	Green, Pa.	Olsen
Annunzio	Hanley	O'Neill, Mass.
Ashley	Hanna	Patman
Ashmore	Hansen, Wash.	Patten
Bevill	Hathaway	Pepper
Bingham	Hawkins	Perkins
Blanton	Hechler, W. Va.	Philbin
Boggs	Helstoski	Price, Ill.
Boland	Henderson	Pucinski
Bolling	Hicks	Quillen
Brasco	Holifield	Rees
Brooks	Holland	Resnick
Burke, Mass.	Howard	Reuss
Burton, Calif.	Joelson	Rhodes, Pa.
Byrne, Pa.	Johnson, Calif.	Roberts
Carter	Johnson, Pa.	Rodino
Clark	Jones, Ala.	Rogers, Colo.
Conyers	Karsten	Ronan
Corman	Karth	Rooney, N.Y.
Daniels	Kastenmeier	Rooney, Pa.
Davis, Ga.	Kazen	Rosenthal
Dawson	Kee	Roybal
Delaney	Kelly	Ryan
Dent	King, Calif.	St. Onge
Diggs	Kirwan	Scheuer
Dingell	Kluczynski	Schweiker
Donohue	Kyros	Shipley
Dow	Landrum	Sisk
Dulski	Leggett	Staggers
Duncan	Long, Md.	Steed
Eckhardt	McCarthy	Stephens
Edmondson	McDade	Stratton
Edwards, La.	McFall	Stubblefield
Eilberg	Macdonald, Mass.	Taylor
Eshleman		Tenzer
Evans, Colo.	Machen	Thompson, N.J.
Everett	Madden	Tiernan
Evins, Tenn.	Mathias, Md.	Tunney
Fallon	Matsunaga	Udall
Farbstein	Meeds	Vanik
Fascell	Miller, Ohio	Vigorito
Ford, William D.	Minish	Walker
	Mink	Wampler
Fraser	Moore	Watts
Friedel	Moorhead	Whalley
Fulton, Pa.	Morgan	Whitten
Fulton, Tenn.	Morse, Mass.	Wright
Gallagher	Moss	Yates
Garmatz	Murphy, Ill.	Young
Gettys	Murphy, N.Y.	Zablocki
Giaimo	Natcher	

NOT VOTING—72

Adair	Edwards, Calif.	Purcell
Aspinall	Feighan	Rarick
Baring	Flood	Rivers
Barrett	Flynt	Rostenkowski
Bell	Foley	Rumsfeld
Betts	Goodling	St Germain
Blatnik	Green, Oreg.	Saylor
Brademas	Griffiths	Slack
Brown, Calif.	Gurney	Smith, Iowa
Burton, Utah	Hansen, Idaho	Sullivan
Button	Hébert	Taft
Cabell	Hull	Talcott
Carey	Kleppe	Ullman
Celler	McMillan	Utt
Clausen, Don H.	Mathias, Calif.	Van Deerlin
	Mayne	Waggonner
Clawson, Del	Michel	Waldie
Cohelan	Miller, Calif.	Whitener
Daddario	Mills	Willis
de la Garza	Morris, N. Mex.	Wilson, Charles H.
Dellenback	Multer	
Devine	O'Hara, Mich.	Wolff
Dickinson	O'Neal, Ga.	Wyatt
Dorn	Pirnie	Zwach
Edwards, Ala.	Poage	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Hull for, with Mr. Blatnik against.
Mr. Gurney for, with Mrs. Sullivan against.
Mr. Baring for, with Mr. Willis against.
Mr. Talcott for, with Mr. Cohelan against.
Mr. Rarick for, with Mr. Brown of California against.
Mr. O'Neal of Georgia for, with Mr. Multer against.
Mr. Goodling for, with Mr. Edwards of California against.
Mr. Edwards of Alabama for, with Mr. Feighan against.
Mr. Betts for, with Mr. Miller of California against.
Mr. Devine for, with Mr. Celler against.
Mr. Kleppe for, with Mr. Carey against.
Mr. Mayne for, with Mr. Brademas against.
Mr. Zwach for, with Mr. Barrett against.
Mr. Burton of Utah for, with Mr. Van Deerlin against.
Mr. Utt for, with Mr. Charles H. Wilson against.
Mr. Dickinson for, with Mr. Wolff against.
Mr. Hansen of Idaho for, with Mr. Daddario against.
Mr. Del Clawson for, with Mr. Aspinall against.
Mr. Rumsfeld for, with Mr. Waldie against.
Mr. Wyatt for, with Mr. Rostenkowski against.
Mr. Michel for, with Mr. Slack against.
against
Mr. Don H. Clausen for, with Mr. O'Hara of Michigan against.
Mr. Adair for, with Mr. St Germain against.
Mr. Bell for, with Mrs. Griffiths against.

Until further notice:

Mr. Cabell with Mr. Dellenback.
Mr. de la Garza with Mr. Button.
Mr. Flood with Mr. Mathias of California.
Mr. Hébert with Mr. Pirnie.
Mr. Ullman with Mr. Saylor.
Mr. Foley with Mr. Taft.
Mr. Dorn with Mr. Flynt.
Mrs. Green of Oregon with Mr. Morris of New Mexico.
Mr. Mills with Mr. McMillan.
Mr. Poage with Mr. Rivers.
Mr. Purcell with Mr. Smith of Iowa.
Mr. Whitener with Mr. Waggonner.

Mr. JARMAN changed his vote from "nay" to "yea."

Mr. CULVER changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the committee substitute, as amended.

The committee substitute, as amended, was agreed to.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

MOTION TO RECOMMIT

Mr. CRAMER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CRAMER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CRAMER moves to recommit the bill, S. 602 to the Committee on Public Works with instructions to report the same back forthwith with the following amendments:

On page 36, line 20, strike out "President" and insert in lieu thereof "Secretary of Transportation".

On page 46, strike out line 21 and all that follows through and including line 23 on page 47, and insert in lieu thereof the following:

"SEC. 116. (a) Subsection (a) of section 214 of the Act is amended by adding at the end thereof the following: 'Any finding, report, certification, or documentation required to be submitted to the head of the department, agency, or instrumentality of the Federal government responsible for the administration of any Federal grant-in-aid program shall be accepted by the Secretary with respect to a supplemental grant for any project under such program.'

"(b) Subsection (c) and (d) of section 214 of the Act are amended to read as follows:".

On page 50, line 10, strike out "(1)" and all that follows through and including line 5 on page 51 and insert in lieu thereof the following:

"(1) by amending subsections (b) and (c) to read as follows, and (2) by redesignating the succeeding subsections accordingly:".

On page 55, lines 2 and 3, strike out "to the President, to be available until expended,".

On page 43, strike out line 1 and all that follows through and including line 11 on page 45, and renumber succeeeding sections and references thereto accordingly.

On page 60, following line 8, insert the following new section:

"SEC. 205. Title I of the Public Works and Economic Development Act of 1965 is amended by adding at the end thereof the following new sections:

"'SEC. 107. (a) In order to assist in the economic development of the Great Lakes region by conserving, developing, and enhancing anadromous fishery resources, the Secretary is authorized to make grants pursuant to section 101 of this title, to assist in carrying out projects within redevelopment areas within the upper Great Lakes economic development region established pursuant to title V of this Act for the planning, construction, and alteration of hatchery facilities, evaluation and eggtaking weirs, and stations for open water investigations; the improvement of habitats; and the acquisition of land and equipment associated with such hatchery facilities, weirs, stations, and habitats; except that no grant may be made under this section unless the Secretary of the Interior is satisfied that the project for which such grant is sought will benefit the Great Lakes anadromous fishery.

"'(b) A grant made under this section shall not exceed 50 percentum of the cost of the project.

"'(c) Not to exceed $1,500,000 of the funds authorized in section 105 of this title shall be available for the fiscal year ending June 30, 1968 and a like amount for the fiscal year ending June 30, 1969, to carry out this section.

"'(d) Grants received by any State under this section shall be in addition to any other assistance which such State is eligible to receive under this Act or the Act entitled "An Act to authorize the Secretary of the Interior to initiate with the several States a cooperative program for the conservation, development, and enhancement of the Nation's anadromous fish, and for other purposes", approved October 30, 1965 (16 U.S.C. 737a-757f).'"

Mr. CRAMER (interrupting the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read, in that it includes amendment No. 2, which I offered, together with other similar amendments, striking Presidential authority and leaving with the agencies the pending authority on Appalachia; amendment No. 7, which I offered, striking section 224, relating to section 224, the housing promotion money; and, third, the Vander Jagt alewives Great Lakes fish crop amendment.

Mr. EDMONDSON. Mr. Speaker, reserving the right to object, I wish to get clearly established that each of these amendments is an amendment that was offered by the gentleman from Florida or by the gentleman from Michigan [Mr. VANDER JAGT] in the Committee of the Whole and defeated in the Committee of the Whole, except language in the first part of the first amendment. Is that correct?

Mr. CRAMER. Very slightly defeated, I will say to the gentleman.

Mr. EDMONDSON. I thank the gentleman. I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. JONES of Alabama. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 178, nays 184, not voting 70, as follows:

[Roll No. 254]

YEAS—178

Abbitt	Frelinghuysen	Pettis
Abernethy	Fuqua	Poff
Anderson, Ill.	Gardner	Pollock
Andrews, Ala.	Gathings	Pool
Andrews, N. Dak.	Goodell	Price, Tex.
	Gross	Pucinski
Arends	Grover	Quie
Ashbrook	Gubser	Railsback
Ayres	Gude	Reid, Ill.
Bates	Hagan	Reifel
Battin	Haley	Reinecke
Belcher	Hall	Rhodes, Ariz.
Bennett	Halleck	Riegle
Berry	Harrison	Robison
Biester	Harvey	Rogers, Fla.
Blackburn	Heckler, Mass.	Roth
Bolton	Herlong	Roudebush
Bow	Horton	Ruppe
Bray	Hosmer	Sandman
Brinkley	Hunt	Satterfield
Brock	Hutchinson	Schadeberg
Broomfield	Jarman	Scherle
Brotzman	Johnson, Pa.	Schneebeli
Brown, Mich.	Jonas	Schwengel
Brown, Ohio	Jones, N.C.	Scott
Broyhill, Va.	Keith	Selden
Buchanan	King, N.Y.	Shriver
Burke, Fla.	Kornegay	Sikes
Burleson	Kuykendall	Skubitz
Bush	Kyl	Smith, Calif.
Byrnes, Wis.	Laird	Smith, N.Y.
Cahill	Langen	Smith, Okla.
Casey	Latta	Snyder
Cederberg	Lennon	Springer
Chamberlain	Lipscomb	Stafford
Clancy	Lloyd	Stanton
Cleveland	Long, La.	Steiger, Ariz.
Collier	Lukens	Steiger, Wis.
Colmer	McClory	Stuckey
Conable	McClure	Teague, Calif.
Conte	McCulloch	Thompson, Ga.
Corbett	McDonald, Mich.	Thomson, Wis.
Cowger		Tuck
Cramer	McEwen	Vander Jagt
Cunningham	MacGregor	Watkins
Curtis	Mailliard	Watson
Davis, Wis.	Marsh	Whalen
Denney	Martin	Whalley
Derwinski	May	Widnall
Dole	Meskill	Wiggins
Dowdy	Minshall	Williams, Miss.
Dwyer	Mize	Williams, Pa.
Erlenborn	Montgomery	Wilson, Bob
Esch	Morton	Winn
Eshleman	Mosher	Wydler
Findley	Myers	Wylie
Fino	Nelsen	Wyman
Fisher	O'Konski	Yates
Ford, Gerald R.	Passman	Zablocki
Fountain	Pelly	Zion

NAYS—184

Adams	Gray	Murphy, Ill.
Addabbo	Green, Pa.	Murphy, N.Y.
Albert	Halpern	Natcher
Anderson, Tenn.	Hamilton	Nedzi
	Hammer-schmidt	Nichols
Annunzio		Nix
Ashley	Hanley	O'Hara, Ill.
Ashmore	Hanna	Olsen
Bevill	Hansen, Wash.	O'Neill, Mass.
Bingham	Hardy	Ottinger
Blanton	Harsha	Patman
Boggs	Hathaway	Patten
Boland	Hawkins	Pepper
Bolling	Hays	Perkins
Brasco	Hechler, W. Va.	Philbin
Brooks	Helstoski	Pickle
Broyhill, N.C.	Henderson	Pike
Burke, Mass.	Hicks	Price, Ill.
Burton, Calif.	Hollfield	Pryor
Byrne, Pa.	Holland	Quillen
Carter	Howard	Randall
Clark	Hungate	Rees
Conyers	Ichord	Reid, N.Y.
Corman	Irwin	Resnick
Culver	Jacobs	Reuss
Daniels	Joelson	Rhodes, Pa.
Davis, Ga.	Johnson, Calif.	Roberts
Dawson	Jones, Ala.	Rodino
Delaney	Jones, Mo.	Rogers, Colo.
Dent	Karsten	Ronan
Diggs	Karth	Rooney, N.Y.
Dingell	Kastenmeier	Rooney, Pa.
Donohue	Kazen	Rosenthal
Dow	Kee	Roush
Downing	Kelly	Roybal
Dulski	King, Calif.	Ryan
Duncan	Kirwan	St. Onge
Eckhardt	Kluczynski	Scheuer
Edmondson	Kupferman	Schwelker
Edwards, La.	Kyros	Shipley
Eilberg	Landrum	Sisk
Evans, Colo.	Leggett	Staggers
Everett	Long, Md.	Steed
Evins, Tenn.	McCarthy	Stephens
Fallon	McDade	Stratton
Farbstein	McFall	Stubblefield
Fascell	Macdonald, Mass.	Taylor
Flood		Teague, Tex.
Foley	Machen	Tenzer
Ford, William D.	Madden	Thompson, N.J.
	Mahon	Tiernan
Fraser	Mathias, Md.	Tunney
Friedel	Matsunaga	Udall
Fulton, Pa.	Meeds	Vanik
Fulton, Tenn.	Miller, Ohio	Vigorito
Gallfianakis	Minish	Walker
Gallagher	Mink	Wampler
Garmatz	Monagan	Watts
Gettys	Moore	White
Giaimo	Moorhead	Whitten
Gibbons	Morgan	Wright
Gilbert	Morse, Mass.	Young
Gonzalez	Moss	

NOT VOTING—70

Adair	Edwards, Ala.	Purcell
Aspinall	Edwards, Calif.	Rarick
Baring	Feighan	Rivers
Barrett	Flynt	Rostenkowski
Bell	Goodling	Rumsfeld
Betts	Green, Oreg.	St Germain
Blatnik	Griffiths	Saylor
Brademas	Gurney	Slack
Brown, Calif.	Hansen, Idaho	Smith, Iowa
Burton, Utah	Hébert	Sullivan
Button	Hull	Taft
Cabell	Kleppe	Talcott
Carey	McMillan	Ullman
Celler	Mathias, Calif.	Utt
Clausen, Don H.	Mayne	Van Deerlin
	Michel	Waggonner
Clawson, Del	Miller, Calif.	Waldie
Cohelan	Mills	Whitener
Daddario	Morris, N. Mex.	Willis
de la Garza	Multer	Wilson, Charles H.
Dellenback	O'Hara, Mich.	
Devine	O'Neal, Ga.	Wolff
Dickinson	Pirnie	Wyatt
Dorn	Poage	Zwach

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Betts for, with Mr. Blatnik against.

Mr. Edwards of Alabama for, with Mrs. Sullivan against.

Mr. Utt for, with Mr. Cohelan against.

Mr. Talcott for, with Mr. Multer against.

Mr. Zwach for, with Mr. Brown of California against.

Mr. Goodling for, with Mr. Edwards of California against.

Mr. Gurney for, with Mr. Feighan against.

Mr. Dickinson for, with Mr. Miller of California against.

Mr. Devine for, with Mr. Celler against.

Mr. Adair for, with Mr. Carey against.

Mr. Bell for, with Mr. Brademas against.

Mr. Burton of Utah for, with Mr. Barrett against.

Mr. Del Clawson for, with Mr. Van Deerlin against.

Mr. Kleppe for, with Mr. Charles H. Wilson against.

Mr. Mayne for, with Mr. Wolff against.

Mr. Michel for, with Mr. Daddario against.

Mr. Don H. Clausen for, with Mr. Aspinall against.

Mr. Rumsfeld for, with Mr. Waldie against.

Mr. Wyatt for, with Mr. Rostenkowski against.

Mr. Hansen of Idaho for, with Mr. Slack against.

Mr. Hull for, with Mr. O'Hara of Michigan against.

Mr. Baring for, with Mr. St Germain against.

Mr. Rarick for, with Mrs. Griffiths against.

Mr. O'Neal of Georgia for, with Mr. Dorn against.

Until further notice:

Mr. Flynt with Mr. Taft.

Mr. Hébert with Mr. Pirnie.

Mr. Waggonner with Mr. Saylor.

Mr. Willis with Mr. Mathias of California.

Mr. Cabell with Mr. Button.

Mr. Morris of New Mexico with Mr. Dellenback.

Mr. Purcell with Mr. Smith of Iowa.

Mr. Rivers with Mr. McMillan.

Mr. Whitener with Mr. Ullman.

Mr. Mills with Mrs. Green of Oregon.

Mr. JONAS changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. GERALD R. FORD. Mr Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 189, nays 168, answered "present" 1, not voting 74, as follows:

[Roll No. 255]

YEAS—189

Abernethy	Dow	Hanna
Adams	Dulski	Hansen, Wash.
Addabbo	Duncan	Harsha
Albert	Eckhardt	Hathaway
Anderson, Tenn.	Edmondson	Hawkins
	Eilberg	Hays
Annunzio	Eshleman	Hechler, W. Va.
Ashley	Evans, Colo.	Helstoski
Ashmore	Everett	Henderson
Bevill	Evins, Tenn.	Hicks
Biester	Fallon	Holifield
Bingham	Farbstein	Howard
Blanton	Fascell	Ichord
Boggs	Flood	Jacobs
Boland	Foley	Joelson
Bolling	Ford, William D.	Johnson, Calif.
Brasco		Johnson, Pa.
Brooks	Fraser	Jonas
Broyhill, N.C.	Friedel	Jones, Ala.
Burke, Mass.	Fulton, Pa.	Karsten
Burton, Calif.	Fulton, Tenn.	Karth
Byrne, Pa.	Gallfianakis	Kastenmeier
Carter	Gallagher	Kazen
Clark	Garmatz	Kee
Conyers	Gettys	Kelly
Corbett	Gialmo	King, Calif.
Corman	Gibbons	Kirwan
Cowger	Gilbert	Kupferman
Culver	Gonzalez	Kuykendall
Daniels	Goodell	Kyros
Davis, Ga.	Gray	Landrum
Dawson	Green, Pa.	Latta
Delaney	Gude	Leggett
Dent	Halpern	Long, Md.
Diggs	Hammer-schmidt	Lukens
Dingell		McCarthy
Donohue	Hanley	McDade
McFall	Pepper	Stafford
Macdonald, Mass.	Perkins	Staggers
	Philbin	Steed
Machen	Price, Ill.	Stephens
Madden	Pryor	Stratton
Mathias, Md.	Pucinski	Stubblefield
Matsunaga	Quillen	Taylor
Meeds	Rees	Tenzer
Miller, Ohio	Reid, N.Y.	Thompson, N.J.
Minish	Resnick	Tiernan
Mink	Reuss	Tunney
Montgomery	Rhodes, Pa.	Udall
Moore	Robison	Vanik
Moorhead	Rodino	Vigorito
Morgan	Rogers, Colo.	Walker
Moss	Ronan	Wampler
Murphy, Ill.	Rooney, Pa.	Watts
Murphy, N.Y.	Rosenthal	Whalen
Natcher	Roybal	Whalley
Nedzi	Ruppe	Whitten
Nichols	Ryan	Williams, Miss.
Nix	St. Onge	Williams, Pa.
O'Hara, Ill.	Scheuer	Wright
Olsen	Schneebeli	Yates
O'Neill, Mass.	Schweiker	Young
Ottinger	Shipley	Zablocki
Patman	Sisk	
Patten	Snyder	

NAYS—168

Abbitt	Frelinghuysen	Passman
Anderson, Ill.	Fuqua	Pelly
Andrews, Ala.	Gardner	Pettis
Andrews, N. Dak.	Gathings	Pickle
	Gross	Pike
Arends	Grover	Poff
Ashbrook	Gubser	Pollock
Ayres	Hagan	Pool
Bates	Haley	Price, Tex.
Battin	Hall	Quie
Belcher	Halleck	Railsback
Bennett	Hamilton	Randall
Berry	Hardy	Reid, Ill.
Blackburn	Harrison	Reifel
Bolton	Harvey	Reinecke
Bow	Heckler, Mass.	Rhodes, Ariz.
Bray	Herlong	Riegle
Brinkley	Horton	Roberts
Brock	Hosmer	Rogers, Fla.
Broomfield	Hungate	Roth
Brotzman	Hunt	Roudebush
Brown, Mich.	Hutchinson	Roush
Brown, Ohio	Irwin	Satterfield
Broyhill, Va.	Jarman	Schadeberg
Buchanan	Jones, Mo.	Scherle
Burke, Fla.	Jones, N.C.	Schwengel
Burleson	Kelth	Scott
Bush	King, N.Y.	Selden
Byrnes, Wis.	Kornegay	Shriver
Cahill	Kyl	Sikes
Casey	Laird	Skubitz
Cederberg	Langen	Smith, Calif.
Chamberlain	Lennon	Smith, N.Y.
Clancy	Lipscomb	Smith, Okla.
Cleveland	Lloyd	Springer
Collier	Long, La.	Stanton
Colmer	McClory	Steiger, Ariz.
Conable	McClure	Steiger, Wis.
Conte	McCulloch	Stuckey
Cramer	McDonald, Mich.	Teague, Calif.
Cunningham		Teague, Tex.
Curtis	MacGregor	Thompson, Ga.
Davis, Wis.	Mahon	Thomson, Wis.
Denney	Mailliard	Tuck
Derwinski	Marsh	Vander Jagt
Dole	Martin	Watkins
Dowdy	May	Watson
Downing	Meskill	White
Dwyer	Minshall	Widnall
Edwards, La.	Mize	Wiggins
Erlenborn	Monagan	Wilson, Bob
Esch	Morse, Mass.	Winn
Findley	Morton	Wydler
Fino	Mosher	Wylie
Fisher	Myers	Wyman
Ford, Gerald R.	Nelsen	Zion
Fountain	O'Konski	

ANSWERED "PRESENT"—1

McEwen

NOT VOTING—74

Adair	Celler	Feighan
Aspinall	Clausen, Don H.	Flynt
Baring		Goodling
Barrett	Clawson, Del	Green, Oreg.
Bell	Cohelan	Griffiths
Betts	Daddario	Gurney
Blatnik	de la Garza	Hansen, Idaho
Brademas	Dellenback	Hébert
Brown, Calif.	Devine	Holland
Burton, Utah	Dickinson	Hull
Button	Dorn	Kleppe
Cabell	Edwards, Ala.	Kluczynski
Carey	Edwards, Calif.	McMillan

Mathias, Calif.	Rivers	Utt
Mayne	Rooney, N.Y.	Van Deerlin
Michel	Rostenkowski	Waggonner
Miller, Calif.	Rumsfeld	Waldie
Mills	Sandman	Whitener
Morris, N. Mex.	St Germain	Willis
Multer	Saylor	Wilson, Charles H.
O'Hara, Mich.	Slack	Wolff
O'Neal, Ga.	Smith, Iowa	Wyatt
Pirnie	Sullivan	Zwach
Poage	Taft	
Purcell	Talcott	
Rarick	Ullman	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Button for, with Mr. McEwen against.
Mr. Pirnie for, with Mr. Hébert against.
Mr. Rooney of New York for, with Mr. Waggonner against.
Mr. Mathias of California for, with Mr. Hull against.
Mr. Kluczynski for, with Mr. Baring against.
Mr. Blatnik for, with Mr. Cabell against.
Mrs. Sullivan for, with Mr. Rarick against.
Mr. Cohelan for, with Mr. Adair against.
Mr. Multer for, with Mr. Bell against.
Mr. Celler for, with Mr. Zwach against.
Mr. Brademas for, with Mr. Don H. Clausen against.
Mr. Barrett for, with Mr. Betts against.
Mr. Brown of California for, with Mr. Rumsfeld against.
Mr. Daddario for, with Mr. Mayne against.
Mr. Feighan for, with Mr. Michel against.
Mr. Slack for, with Mr. Sandman against.
Mr. Rostenkowski for, with Mr. Del Clawson against.
Mr. Wolff for, with Mr. Devine against.
Mr. Charles H. Wilson for, with Mr. Dickinson against.
Mr. Whitener for, with Mr. Burton of Utah against.
Mr. Waldie for, with Mr. Edwards of Alabama against.
Mr. Van Deerlin for, with Mr. Goodling against.
Mr. Dorn for, with Mr. Hansen of Idaho against.
Mrs. Griffiths for, with Mr. Wyatt against.
Mr. Aspinall for, with Mr. Gurney against.
Mr. Miller of California for, with Mr. Talcott against.
Mr. St Germain for, with Mr. Utt against.
Mr. O'Hara of Michigan for, with Mr. Kleppe against.
Mr. Carey for, with Mr. O'Neal of Georgia against.

Until further notice:

Mr. Holland with Mr. Dellenback.
Mr. Ullman with Mr. Taft.
Mr. Willis with Mr. Saylor.
Mr. Edwards of California with Mr. Morris of New Mexico.
Mr. Mills with Mr. de la Garza.
Mr. McMillan with Mr. Purcell.
Mr. Smith of Iowa with Mrs. Green of Oregon.
Mr. Flynt with Mr. Rivers.

Mr. DUNCAN changed his vote from "nay" to "yea."

Mr. McEWEN. Mr. Speaker, I have a live pair with the gentleman from New York [Mr. BUTTON]. If he had been present, he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The title was amended so as to read: "An act to revise and extend the Appalachian Regional Development Act of 1965, and to amend the Public Works and Economic Development Act of 1965."

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill S. 602, just passed.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

LEGISLATIVE PROGRAM FOR NEXT WEEK

(Mr. ARENDS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARENDS. Mr. Speaker, I have requested this time in order to ask the distinguished gentleman from Oklahoma [Mr. ALBERT], the majority leader, if the gentleman would kindly advise us as to the legislative program for next week.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Oklahoma; yes.

Mr. ALBERT. Mr. Speaker, in response to the inquiry of the distinguished gentleman from Illinois, the program for next week is as follows:

Monday is Consent Calendar day.

Also, for consideration of the House on Monday are five suspensions, as follows:

S. 1657, extension of dairy indemnity payments authority; H.R. 4451, Fishermen's Protective Act of 1967; H.R. 8338, creating a new division for the western district of Texas; S. 828, relating to the filling of vacancies in the eastern district of Pennsylvania; and S. 1465, Federal District Court for the Eastern Division of the Northern District of Mississippi.

Also on Monday, House Resolution 838, authorizing the Committee on the Judiciary to conduct certain studies and investigations.

On Tuesday there will be the call of the Private Calendar.

For Tuesday and the balance of the week the program is as follows:

H.R. 6418, Partnership for Health Amendments of 1967, with an open rule and 2 hours of debate, and waiving points of order; H.R. 6430, Mental Retardation Amendments of 1967, with an open rule and 1 hour of debate; H.R. 6736, Public Broadcasting Act of 1967, with an open rule and 2 hours of debate; and H.R. 10673, amendment of Packers and Stockyards Act, with an open rule and 1 hour of debate.

Of course, Mr. Speaker, this announcement is made subject to the usual reservation that conference reports may be brought up at any time and that any further program may be announced later.

Mr. ARENDS. I thank the distinguished majority leader.

ADJOURNMENT TO MONDAY NEXT

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

DISPENSING WITH BUSINESS IN ORDER UNDER THE CALENDAR WEDNESDAY RULE ON WEDNESDAY NEXT

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule may be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CORRECTION OF THE RECORD

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that the last sentence in my remarks appearing on page H11394 of the RECORD of August 28, 1967, be deleted from the permanent RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

THE CONSTITUTION OF THE UNITED STATES OF AMERICA

(Mr. ALBERT asked and was given permission to address the House for 1 minute.)

Mr. ALBERT. Mr. Speaker, next Sunday, September 17, marks the 180th anniversary of the completion of the writing of the Constitution of the United States in Convention Hall in Philadelphia.

Mr. Speaker, this document is still the basis of our representative form of government and the foundation of our liberty. Under its provisions this House is constituted and this House operates.

For 4 long months, in 1787, in the heat of summer, the members of the Convention had earnestly sought to produce a plan of government whereby they might form a more perfect union of the people of this Republic, establish justice in their midst, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to themselves and their posterity. For such noble purposes the Constitution of the United States was adopted and subsequently ratified by the Thirteen Original States.

Mr. Speaker, as a constitution it was short, simple, and concise. Usually it can be printed in a State statute book on only one-fifth or less of the pages that it takes to print a State constitution. When it was written, there were great men who said that it was the greatest document of government ever produced by the hand of man at one single time, and that it would be the model of all subsequent constitutions.

Behind no other constitution has there been the work or inspiration which flowed from 8 years of heroic struggle against tyranny and injustice. At the foundation of no other government have there been leaders like Washington, Franklin, Hamilton, Madison, Pinckney, Morris, and others whose work in behalf

of democracy shines upon history's page, and makes perpetual the memory of patriots who strove to lay the foundation of the greatest nation in the recorded story of the civilization of mankind.

Mr. Speaker, one can test the greatness of our Constitution, its flexibility to serve not only the American of the 18th century but our citizens of the 20th century, by one of its clauses alone. The Constitution provides:

The Congress shall have the power—to establish Post Offices and Post Roads.

This simple statement, written into the Constitution, has through all the years formed the fundamental basis for the building of our present day vast and magnificent, farflung, worldwide postal system. At the beginning of our National Government under the Constitution our postal system served the needs of cities of only a few thousand in population, and isolated towns and villages. Mail was carried by sailing vessels, stagecoach, and on horseback. Now, the system serves many cities whose populations are in the millions, mail is carried on fast going ocean vessels, by planes in the air, speedy railway trains, buses on the highway; by a postal system not only serving 13 States but 50 States across a distance of 10,000 miles. All postal regulations, all statutes of law enacted by the Congress are based upon the simple constitutional provision that Congress shall have the power to establish post offices and post roads.

Yes, Mr. Speaker, under the beneficent influences of the Constitution of the United States our Republic has grown and developed until now it is the greatest, richest, most progressive nation in all the world and in all the history of the human race. May that Constitution be forever perpetuated insuring as it does the liberty and the freedom of the American people. Let all of us this day salute it, now the oldest Constitution established among men, and the finest and the best.

THE 183D ANNIVERSARY OF CONSTITUTION OF UNITED STATES

(Mr. SCHWENGEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHWENGEL. Mr. Speaker, I want to pay tribute to the majority leader for calling attention to the 180th anniversary of the Constitution.

STATEMENT IN SUPPORT OF THE DEPLETION ALLOWANCE

(Mr. SMITH of Oklahoma asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SMITH of Oklahoma. Mr. Speaker, in the face of the proposal for a tax increase, the professional liberals in the press and in Congress are again making brave noises about closing so-called tax loopholes instead of facing reality and calling for a reduction in wasteful Federal expenditures. The favorite "loophole" for attack, hardly a novel one, is the percentage depletion allowance. I shall be kind and not refer to a display of ignorance on their part but rather to a lack of understanding.

When you know the facts about the percentage depletion allowance, you are proud to defend it. Percentage depletion allowances were incorporated in the tax laws in 1926 as a substitute for depletion based on "discovery value," which was difficult to administer. Percentage depletion recognizes that natural resources are distinctive because they are physically exhaustible. Firms engaged in extracting oil and gas and other minerals from the ground are entitled to a depletion allowance for exhaustion of the mineral deposit in computting their taxable income, just as other firms are entitled to a depreciation allowance for wear and tear on the capital they use.

Depletion covers "wasting" assets. For example, with every barrel of oil taken from the ground, the oil producer is using up his capital, and he can never be certain where and when he can find new supplies.

Under the percentage method, depletion is computed as a specific percentage of the annual gross income from the property but cannot exceed 50 percent of the net income therefrom. The rates of the percentage depletion allowance vary according to the nature and characteristics of the affected minerals. Oil and gas being the most difficult and expensive to find and produce has a depletion rate of 27.5 percent. These rates have been examined repeatedly over the years by committees of Congress and other official groups. Instead of finding them unnecessary or excessive, they have kept the rate for oil and gas, have increased rates for other minerals, and have made new minerals of strategic or economic importance eligible for percentage depletion.

The unusual hazards the oil industry faces in exploration are recognized in the present tax structure. The percentage of "dry wells" is very high; only about 3 percent of the drillings produce significant returns.

Present tax provisions have also been a positive force in encouraging other vital industries in America, helping to spark the exploration for and development of iron, lead, zinc, coal, sulfur, and many other minerals important to the economy and to defense.

Without the depletion allowance, risk capital for ventures as chancy as wildcatting would be almost impossible to find.

Rising production costs and depressed crude oil prices provide enough financial problems for the oil industry without the added handicap of laws that fail to recognize or recognize inadequately the depletion factor. Present exploration levels are barely adequate to meet current needs and must be stepped up if the country is to meet the expanding needs of the future. The industry has been able to maintain the current level of exploratory activity only as a result of improved efficiency and cost reduction programs of major dimensions. Any legislation that leads to increased taxes and lower profits will result in sharply curtailed exploration.

If opponents would look into the subject with an open mind, they would find the depletion provision is a break for the general public. It has been a prime factor in maintaining a low price on gasoline and other products. The final effect of a reduction or elimination of percentage depletion would be an increase in the price paid by consumers.

In addition, legislation having an adverse effect on the minerals industries would have an impact throughout the economy. It would very likely mean a cutback in capital spending. Expenditures for new plant and equipment for petroleum and coal products are the highest in the manufacturing industry. Also, some of the small, independent producers would probably be wiped out.

It is my conviction that the extractive industries today require the same tax framework they have had in the past and for the same reasons. The percentage depletion allowance is no "loophole." It is an economic necessity. It has served to encourage a rate of exploration, development, and production adequate to our national security and the requirements of our economy.

Mr. Speaker, let us not be swayed by those looking for a scapegoat for the tax increase. Certainly today, in a time of war, it is important to have ample supplies of strategically important minerals available. For the good of America, let us not tamper with the percentage depletion allowance.

CREATION OF SOUTHWEST REGIONAL SERVICES CORPORATION

(Mr. SMITH of Oklahoma asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SMITH of Oklahoma. Mr. Speaker, news was released on May 1, 1952, that the U.S. Air Force had submitted a request to the House and Senate Armed Services Committees for $13,566,000 to rebuild and activate the former Clinton Naval Air Station. On September 21, 1958, the 4123d Airbase Group held open house for the public of southwestern Oklahoma, and the sprawling Clinton-Sherman Air Force Base became the home for many brave officers and men of the Strategic Air Command.

The 4123d Strategic Wing was activated at Carswell Air Force Base, Tex., in December 1957, and moved as an integral unit to Clinton-Sherman in March 1959. On February 1, 1963, the unit was redesignated the 70th Bombardment Wing, Heavy, with no change in mission. Today, the base has KC–135 Stratotankers, Boeing B–52 Stratofortresses, and the AGM 28–B "Hound Dog" missiles for the use of this mighty force.

In December 1965, Secretary McNamara reported that this fine base would be deactivated by July 1, 1970. This announcement was part of a mass Department of Defense move to close, consolidate, or reduce substantially 149 military bases in the United States.

At the time of this announcement, the facilities at Clinton-Sherman Air Force Base constituted the following assets to the United States: An investment of over $50 million in real estate; over 560

training programs. Thousands of Cohoesiers have joined in to help.

The letter from Mr. Van Buskirk concludes by urging me, on behalf of the citizens of Cohoes, to—

Use your influence and efforts to prevent the action that would result in the dissolving of the Office of Economic Opportunity and to retain this controlling agency over the poverty programs in our city.

Mr. Van Buskirk makes an impressively detailed case, Mr. Speaker. He described the coordination of the antipoverty programs and their concentration of the critical problems of the poor that were impossible under the old-line, traditional agencies. He points to the new involvement of private enterprise and individuals in attacking these problems. He stresses that they are working together with the poor themselves, and that through this new partnership the target area residents are developing new leadership by active participation in the democratic process. I might add to Mr. Van Buskirk's comments, Mr. Speaker, my observation that I am sure all of my colleagues prefer this type of constructive democracy to the senseless, ignorant alienation which is the root cause of rioting.

Because Mr. Van Buskirk's letter makes such good sense, Mr. Speaker, because it sets forth so succinctly the workings of a local antipoverty program, and because the issues it raises are so critical nationally, I am inserting it in the RECORD at this point and commend it to the close attention of all Members of this House.

CITY OF COHOES, N.Y.,
August 1, 1967.

HON. DANIEL BUTTON,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BUTTON: I have read recently that members of Congress are considering action to dissolve the Office of Economic Opportunity and to place certain programs under this office with the respective traditional old line agencies.

I wish to point out what effect I believe this would have on the City of Cohoes and many other cities throughout the nation. First, I should like to familiarize you with some statistics on the characteristics of the population of the City of Cohoes. These statistics refer to Census Tracts 28 and 29 which contain fifty per cent of the population of our City.

19.4% of the families have an income of less than $3,000 annually.

9.7% of the males, fourteen years and over, in the civilian labor force are unemployed.

67.3% of all housing units are substandard.

36.7% of all persons 25 years and over have less than eight years of education.

The City of Cohoes was one of the first communities in New York State to be funded for Community Action Programs. They are as follows:

Neighborhood Youth Corps, Child Development Center (CAP), Housing, Environmental, Rehabilitation and Development Center (CAP), Work Training Project (CAP), Legal Alde (CAP).

The following programs were developed but were not funded due to lack of sufficient appropriations:

Home Management, Remedial Reading, Senior Citizen, Surplus Food.

Under the organization guidelines, rules, and regulations of the Office of Economic Opportunity and through their programs, the following objectives have been achieved in the City of Cohoes:

1. Through concentrated efforts, organization, and coordination of programs, all members of a socially distressed family can be reached. For example, a father may be chronically unemployed and is receiving training under the Work Training Project; a sixteen-year-old high school dropout is an enrollee in the Neighborhood Youth Corps; a four-year-old child is participating in the Child Development Center; and a mother should be able to receive home management training through a Home Management Program.

The staff of each program is familiar with all the problems and circumstances of the family of a participant. This results in the efforts of all programs being coordinated and concentrated on solving all the social ills of the family. This also makes it possible for a socially distressed family to function through one agency rather than through three or four, or possibly more, which tends to discourage the uneducated and uninformed family. This could not be possible under the traditional old line agencies, for their primary concern is the objectives of their respective agencies and coordination with other agencies is secondary. Also, there is no central agency or agencies to provide central leadership above the line agencies that could effectively and efficiently coordinate their activities.

The traditional old line agencies do not have, at this time, financial resources and developed man power to execute coordinated programs similar to those administered by the Office of Economic Opportunity.

2. In the City of Cohoes each program has its own governing body which administers its respective program, and fifty per cent of the members are area residents elected by neighborhood organizations. These people have had the opportunity to develop leadership, understand the problems of the democratic process, and realize the work that is involved in solving problems and administering programs. They pass judgment on hiring personnel, setting salaries, approving budgets, and setting policies, priorities and goals.

These programs are designed to serve the socially and economically disadvantaged, and these people should, and want to, have something to say and to contribute to the programs serving them. Not only are we developing leadership among the economically disadvantaged, but through participation on governing bodies, they are working with other members of the community such as lawyers, real estate people, engineers, architects, bankers, clergy and many others. This has resulted in the broadening of their outlook on the community and the understanding of the problems of many other segments of the City, both public and private.

This type of participation, experience, and training of the residents in the designated area would not have been possible under the traditional old line agency. In many cases, the traditional old line agencies do not have programs or staff at the neighborhood level, and they do not have provisions for setting up governing bodies to administer local neighborhood programs. Also, they do not have the horizontal coordination for an effective and efficient program. The old line agencies do not have the private assistance or the mobilization of private resources whereby area residents in coordination with others can develop and administer these various programs.

3. Under the O.E.O. programs in the City of Cohoes, private enterprise, private agencies, corporations and individuals are making a tremendous contribution to alleviate the social ills of the City. I believe that if an economic analysis of their efforts, time, energies and cash contributions could be determined, their total contribution would nearly equal the financial contribution of the federal government.

If it were not for the Office of Economic Opportunity, this large resource would never have been tapped and we would not have had the complete mobilization of our resources, public and private, trying to solve the social ills of the community. Also, the plain fact that many private agencies and enterprises are aware of our social problems and have assumed the responsibility for solving them, and have given their time and effort, is in itself a tremendous accomplishment of the private sector of our society in accepting responsibility. This could never have been accomplished under the traditional old line agencies, for our private enterprise would assume that line agencies are fully responsible for their individual programs and the challenge that the O.E.O. program has brought to the surface would not be there.

Also, line agency programs and staff in many cases are not at the neighborhood level, and are not familiar with local agencies, local problems, and it would be difficult for such a staff to motivate local resources.

If Congress should revert to placing the O.E.O. programs under the traditional old line agencies, and should dissolve the Office of Economic Opportunity, this action would have the following effect in solving the social ills of the City of Cohos:

1. The anti-poverty programs would become fragmented and the result would be an uncoordinated attack on the social ills of the economically disadvantaged family. I believe that this would result in a fifty to seventy-five per cent less effective program than that presently issued under the Office of Economic Opportunity.

2. All the efforts for developing leadership in the designated areas to assist in the administration and development of their programs would be completely lost.

3. The tremendous contribution being made by private enterprise would be greatly reduced to the point that it would not be effective in trying to cure the social ills. I believe that all the efforts, energies and contributions that have been made possible through the mobilization of public and private resources would not only be greatly reduced, but it would be extremely difficult in the future to persuade private enterprise to mobilize their resources and assume responsibilities in attending the many programs that will be needed to solve the problems in the City of Cohoes, as well as in the nation.

I am requesting, on behalf of the citizens of the City of Cohoes, that you, our Congressman, use your influence and efforts to prevent the action that would result in the dissolving of the Office of Economic Opportunity and to retain this controlling agency over the poverty programs in our City.

Very truly yours,
PAUL G. VAN BUSKIRK,
Executive Assisstant.

(Mrs. HECKLER of Massachusetts (at the request of Mr. WAMPLER) was granted permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

[Mrs. HECKLER of Massachusetts' remarks will appear hereafter in the Appendix.]

L. B. J. SHOULD HEED SUBCOMMITTEE REPORT

(Mr. CHAMBERLAIN (at the request of Mr. WAMPLER) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CHAMBERLAIN. Mr. Speaker, from my contacts with citizens in

Michigan, especially in recent months I am satisfied that the American people are more disturbed than ever over the conduct of the war in Vietnam. One particularly articulate example of this concern is to be found in an editorial appearing in the State Journal of Lansing on September 2 1967, relating to the recent report by the Senate Preparedness Subcommittee on the "Air War Against North Vietnam."

I commend it to the attention of my colleagues:

L. B. J. SHOULD HEED SUBCOMMITTEE REPORT

If the Johnson administration's objective is—as it should be—to bring the war in Vietnam to an early and successful conclusion, we think it should heed the demands of a Senate preparedness subcommittee that the air war in North Vietnam be intensified with raids that would close the Communist port of Haiphong.

We agree fully with what the subcommittee said in this excerpt from its report:

"We cannot, in good conscience, ask our ground forces to continue their fight in South Vietnam unless we are prepared to press the air war in the North in the most effective way possible."

What the Senate group said about the ground forces applies also to the U.S. pilots who should not be required to attack North Vietnam under a policy that prevents them from hitting all military targets and thus gives the Communists a big advantage in their defense against American aircraft.

The subcommittee noted this advantage by saying that "anti-aircraft, surface-to-air missiles, and MIG fighter planes" had been assembled in North Vietnam "as the most deadly (anti-aircraft force) the world has ever seen."

"The long delay in approving targets in North Vietnam has almost certainly contributed to our aircraft and pilot losses since it gave the Vietnamese the time to build up formidable air defenses," the report said.

The subcommittee supports the Joint Chiefs of Staff who advocate stepped-up bombing against the view of Secretary of Defense McNamara who has maintained that increased bombing of the North could not by itself win or shorten the war.

Perhaps the bombing alone could not win the war but along with ground action in the South it would be more effective than the restrictive policy the administration has pursued in the past.

The U.S. Constitution wisely provides for civilian control of the military as a safeguard against a military government. However, this does not mean that a civilian secretary of defense is right and the military chiefs of staff, with all their training and experience, are wrong in the devising of military strategy.

The Senate subcommittee issued its report after a three-week investigation of the conduct of the air war.

The responsibility for the final decisions is that of the President as commander-in-chief of the armed forces, but we believe that he also has the responsibility of giving careful consideration to the views of members of Congress who seek victory in Vietnam.

A few days ago Rep. Gerald R. Ford, Jr., R-Grand Rapids, the House Republican leader, said the United States should get out of Vietnam if McNamara's view that air power cannot halt the war is correct. Ford, however, vigorously challenged the defense secretary's contention.

President Johnson has repeatedly expressed determination to carry out the U.S. commitment to Vietnam. He thus has the duty of taking the measures necessary to end Communist aggression against South Vietnam as soon as possible and with the least possible addition to the already heavy American casualties that have been recorded in the long and frustrating conflict.

THE APPALACHIAN PROGRAM

(Mr. MILLER of Ohio (at the request of Mr. WAMPLER) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MILLER of Ohio. Mr. Speaker, I wish to state my unqualified support of the Appalachian Regional Development Act Amendments of 1967. The Appalachian program is one of the best programs in existence today.

This program is important not only to the Appalachian region, but to every other area of America too. More purchasing power in Appalachia means greater demand for goods and services produced in other areas of the country. A strong Appalachian economy means a stronger national economy. Thus, the needs of the whole country are served by the Appalachian program.

Furthermore, many of the problems in our cities result in large part from the influx of untrained, unskilled people from the rural areas of the Nation. In the past 25 years, the Appalachian region alone has lost more than 2 million people to the urban areas.

Unless this trend is abated, the problems of our urban areas will multiply. However, people will not stay in rural America without opportunities closer to home.

A strong economy in our rural areas requires job opportunities, better transportation, and health and education facilities. The Appalachian program is a great stride in meeting these requirements.

The Appalachian idea and its approach have been highly successful. It is a program which represents a unique relationship between the Federal and State Governments, and has proven itself a useful and effective way to solve the problems of the rural and also the urban areas

I urge the Members of this House to support the bill.

FULL-TIME POVERTY WARRIORS NEEDED

The SPEAKER pro tempore (Mr. HELSTOSKI). Under a previous order of the House, the gentleman from Ohio [Mr. ASHBROOK] is recognized for 15 minutes.

Mr. ASHBROOK. Mr. Speaker, last week, I had the opportunity to participate in an unofficial 2-day investigation into the conduct of the war on poverty in Cincinnati, Ohio. Representative WILLIAM AYERS and I conducted our investigation after numerous complaints and suggestions were received in our offices and by Cincinnati Congressman DONALD D. CLANCY. While I would be the first to say that we were not able to study every aspect of the local war on poverty or become experts on the total effectiveness or ineffectiveness of the Cincinnati program, we very definitely were accorded an opportunity to take an on-the-spot look at a very controversial Federal program which proved to be most informative and helpful to us.

Our main purpose in going to Cincinnati was to see what people who are affected think of the war on poverty. On Thursday, September 7, we spent the day visiting with people in the so-called target areas—in their homes, in the community centers, on the street, in the churches. We found a general feeling of frustration among the scores of people we interviewed and it is fair to say that the prevailing outlook seems to be that the war on poverty has not materially affected their lives in any positive manner. Complaints ranged from mild mannered to the very harsh charges of "it's a racket."

One of the bright experiences of the visit was the opportunity to see the real and meaningful contributions which are being made by those dedicated people who are conducting an all-out attack on poverty while not encouraged or subsidized by any Federal payroll or grant. One of the most memorable people I have ever met must be Father William M. Sicking who was also the first witness at our informal hearings which were conducted Friday at the council chambers at city hall.

Father Sicking practices what he preaches. He conducts a full-time war on poverty and, judging by the sampling of opinion that we received by talking to the man on the street, his type of campaign will be the more successful of the many methods now being employed. His parish is in a poor neighborhood with a high Negro concentration. He has successfully set up a parish approach to the problems of the poor which is known as St. Martin DePorres Complex. It includes a center, St. Ann's day care facility, a Golden Age Club and a Thrift Shop. Another project is planned to help provide job opportunities. Father Sicking plans to make pallets at a shop which will be established. I had an opportunity to tour these facilities and I was very much impressed by the enthusiasm of the people who felt that this was theirs.

It is most unfortunate that the efforts of this good priest are not appreciated by the poverty program officials in Cincinnati. Although Father Sicking has served on the Community Action Council—CAC—of the local program since its inception, the program director, John Hansan, apparently looks upon Father Sicking as a thorn in his side. His criticisms have probably been sharp in the past but judging from my interviews with Father Sicking, his approach is positive and his first concern, the poor—not the program. In fact, one of the real problems in the poverty program seems to be the sense of institutional loyalty which places the program first, the people second.

As contrasted to Father Sicking, Director Hansan made one of his first requests before our panel a plea for an increase in salary for himself. This contrasted to the self-sacrificing efforts of those people in the neighborhoods like Father Sicking who had the poor as their first concern.

Congressmen must always weigh testimony and decide the merits. The testimony of Father Sicking and Director Hansan was in direct conflict. Mr. Hansan fights poverty from his vantage point of an office, staff and salary of

DIGEST of Congressional Proceedings

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HIGHLIGHTS: Both Houses agreed to revised food stamp bill. House committee voted to report REA supplemental financing bill. Rep. Betts introduced and discussed bill to require status report on development of accounting systems to implement programming-budgeting systems.

SENATE

1. FOOD STAMP PROGRAM. Agreed to an amendment in the nature of a substitute to S. 953, to authorize appropriations for the food stamp program. The revised bill authorizes $200 million for the fiscal year 1968 and $225 million for the fiscal year 1969 and provides that only appropriations made from the general fund of the Treasury for this specific purpose may be used to carry out the program. The House then concurred in the Senate amendment by a vote of 196 to 154. This bill will now be sent to the President. pp. S13245-6, H12120-3

2. APPROPRIATIONS. Continued consideration of H. R. 9960, the independant offices and HUD appropriation bill. pp. S13232-3, S13236-61

3. RURAL DEVELOPMENT. Sen. Bennett urged the enactment of S. 2134, the proposed Rural Job Development Act of 1967. pp. S13214-5

4. ORGANIZATION. Sen. Pearson spoke in favor of S. 47, to create a Commission on the Operation of the Executive Branch, to study the organization and functioning of the Federal bureaucracy for a 2-year period and make recommendations to Congress. pp. S13172-4

5. POVERTY. Sen. Jackson submitted an amendment to S. 2388, the proposed Economic Opportunity Amendments of 1967, to continue the present policy in the administration of the Job Corps program under OEO. pp. S13179-80

6. SOCIAL SECURITY. Sen. Hartke urged enactment of H. R. 12080, the proposed Social Security Amendments of 1967, and submitted several amendments to this bill. pp. S13180-1

7. COSPONSORS. Sen. Miller spoke in favor of S. 1796, to impose quotas on the importation of certain textile articles, and added his and Sen. Bayh's name as cosponsors of this bill. p. S13181

Sens. Clark, Inouye, and Bayh were added as cosponsors to S. 2273, to promote interest and training in international agricultural assistance, and Sen. Burdick was added as a cosponsor to S. 2348, to provide for a Great Prairie Lakes Parkway in S. D. and N. D. p. S13181

8. WATER POLLUTION. Sen. Dirksen inserted a series of articles and reports which point out "the peril to health and public safety involved in pollution of the Great Lakes." pp. S13181-13207

9. FARM LOANS. Sen. McGovern inserted an FHA report on activities in S. D. since the inception of the program through 1966. pp. S13210-1

10. FOREIGN AID. Sen. McGee inserted an article, "Topics: What Foreign Aid Can and Cannot Do." p. S13214

11. WILDLIFE. Sen. Yarborough spoke in favor of S. Con. Res. 41, to provide for the setting up of an international conference on conservation of wildlife, and inserted an article, "Hard-Pressed Species can Survive if Buyers Take Profit out of Killing." pp. S13223-4

12. TAX SHARING. Received a resolution favoring the enactment of legislation providing for a Federal tax sharing program. p. S13175

13. RECLAMATION. A subcommittee of the Interior and Insular Affairs Committee approved for full committee consideration H. R. 845, to authorize construction and operation of the Neb.-Midstate division, Mo. River Basin project, and S. 6, to authorize construction of the first stage of the Oahe unit, James Division, Mo. River Basin project, S. D. p. D824

HOUSE

14. APPALACHIA. Conferees were appointed in both Houses on S. 602, to revise and extend the Appalachian Regional Development Act of 1965. pp. H12120, S13233-6

putting more money into missiles so that you can overdestroy the enemy abroad.

I do not think the Senate will shirk its obligations with respect to the civil defense program. We have cut and cut deeply into the budget which the President sent us, but as far as I am concerned, I cannot shirk my responsibilities embracing that somewhat ethereal dream that perhaps, after all, nothing will ever happen. I hope it does not happen, but if it should happen I do not want it ever said that the Senator from Colorado or the Senator from Washington walked away from their responsibilities to attempt to see that we were providing fallout shelters for as many people as we could in this great country of ours.

Mr. YOUNG of Ohio. Mr. President, the facts are that of the 831 employees in the civil defense section of the Department of Defense, 439 of those 831 persons receive salaries from $10,927 per annum up to $27,000 per annum. In other words, more than half receive an annual salary of from nearly $11,000 to $27,000. The remaining 392 employees receive salaries from $9,221, down through those in the GS–3 grade who receive $4,269 a year.

Mr. President, this is the most overpaid branch of the Department of Defense which is notoriously extravagant with taxpayers' money. Here is an opportunity to save $20 million. Whether that is one-hundredth of the defense budget, or whatever percentage it is, $20 million saved is a large sum of money.

Mr. President, I hope my amendment will be seriously considered.

The PRESIDING OFFICER. The hour of 11:15 a.m. having arrived, under the order of yesterday, the Senate will proceed to vote on the amendment of the Senator from Ohio [Mr. YOUNG].

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Indiana [Mr. BAYH], the Senator from Rhode Island [Mr. PELL], and the Senator from Missouri [Mr. SYMINGTON], are absent on official business.

I also announce that the Senator from Minnesota [Mr. MCCARTHY], the Senator from Wyoming [Mr. MCGEE], the Senator from Maine [Mr. MUSKIE], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], and the Senator from Maryland [Mr. BREWSTER], are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana [Mr. BAYH], and the Senator from Florida [Mr. SMATHERS], would each vote "nay".

On this vote, the Senator from Maryland [Mr. BREWSTER] is paired with the Senator from Wyoming [Mr. MCGEE]. If present and voting, the Senator from Maryland would vote "yea" and the Senator from Wyoming would vote "nay".

Mr. DIRKSEN. I announce that the Senator from Oregon [Mr. HATFIELD], the Senator from Kentucky [Mr. MORTON], and the Senator from Illinois [Mr. PERCY] are necessarily absent.

The Senator from California [Mr. KUCHEL], is absent by leave of the Senate.

If present and voting, the Senator from California [Mr. KUCHEL], the Senator from Kentucky [Mr. MORTON] and the Senator from Illinois [Mr. PERCY] would each vote "nay."

The result was announced—yeas 32, nays 55, as follows:

[No. 252 Leg.]

YEAS—32

Bennett	Fulbright	McGovern
Bible	Gore	Morse
Burdick	Gruening	Moss
Byrd, Va.	Hansen	Mundt
Cannon	Hart	Nelson
Church	Hartke	Proxmire
Clark	Jordan, N.C.	Williams, N.J.
Cooper	Kennedy, Mass.	Williams, Del.
Eastland	Kennedy, N.Y.	Yarborough
Ervin	Lausche	Young, Ohio
Fannin	Long, Mo.	

NAYS—55

Aiken	Hayden	Montoya
Allott	Hickenlooper	Murphy
Anderson	Hill	Pastore
Baker	Holland	Pearson
Bartlett	Hollings	Prouty
Boggs	Hruska	Randolph
Brooke	Inouye	Ribicoff
Byrd, W. Va.	Jackson	Scott
Carlson	Javits	Smith
Case	Jordan, Idaho	Sparkman
Cotton	Long, La.	Spong
Curtis	Magnuson	Stennis
Dirksen	Mansfield	Talmadge
Dodd	McClellan	Thurmond
Dominick	McIntyre	Tower
Ellender	Metcalf	Tydings
Fong	Miller	Young, N. Dak.
Griffin	Mondale	
Harris	Monroney	

NOT VOTING—13

Bayh	McGee	Russell
Brewster	Morton	Smathers
Hatfield	Muskie	Symington
Kuchel	Pell	
McCarthy	Percy	

So the amendment of Mr. YOUNG of Ohio was rejected.

Mr. MAGNUSON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. ALLOTT. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER (Mr. HOLLINGS in the chair). The question is on agreeing to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

REVISION AND EXTENSION OF APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

Mr. RANDOLPH. Mr. President, I ask the Chair to lay before the Senate the amendment of the House of Representatives to Senate bill 602.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 602) to revise and extend the Appalachian Regional Development Act of 1965, and to amend title V of the Public Works and Economic Development Act of 1965, which was, to strike out all after the enacting clause and insert:

TITLE I—APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1967

SEC. 101. This title may be cited as the "Appalachian Regional Development Act Amendments of 1967".

SEC. 102. Section 102 of the Appalachian Regional Development Act of 1965 (hereinafter in this title referred to as "the Act") is amended (1) by inserting "and" at the end of clause (7); (2) by striking out the semicolon and the word "and" at the end of clause (8) and inserting in lieu thereof a period; and (3) by striking out clause (9).

SEC. 103. Section 105 of the Act is amended to read as follows:

"ADMINISTRATIVE EXPENSES OF THE COMMISSION

"SEC. 105. (a) For the period ending on June 30, 1967, the administrative expenses of the Commission shall be paid by the Federal Government. Thereafter, such expenses shall be paid 50 per centum by the Federal Government and 50 per centum by the States in the region, except that the expenses of the Federal Cochairman, his alternate, and his staff shall be paid solely by the Federal Government. The share to be paid by each State shall be determined by the Commission. The Federal Cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

"(b) To carry out this section, there is hereby authorized to be appropriated to the Commission, to be available until expended, not to exceed $1,700,000 for the two-fiscal-year period ending June 30, 1969. Not to exceed $400,000 of such authorization shall be available for the expenses of the Federal Cochairman, his alternate, and his staff. Unexpended balances of appropriations under the authorization in this section prior to amendment by the Appalachian Regional Development Act Amendments of 1967 shall remain available for the purposes of this section, as amended, until expended."

SEC. 104. Clause (7) of section 106 of the Act, entitled "ADMINISTRATIVE POWERS OF THE COMMISSION", is amended to read as follows:

"(7) enter into and perform such contracts, leases (including, notwithstanding any other provision of law, the lease of office space for any term expiring no later than July 30, 1971), cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States (which is hereby so authorized to the extent not otherwise prohibited by law) or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation."

SEC. 105. Title I of the Act is amended by inserting at the end thereof a new section as follows:

"COMMISSION EMPLOYEE PROTECTIONS

"SEC. 109. Section 5334(a) of title 5, United States Code, is amended by adding at the end thereof the following new sentence: 'For the purpose of this subsection, an individual employed by the Appalachian Regional Commission under section 106(a) of the Appalachian Regional Development Act of 1965, or by a regional commission established pursuant to section 502 of the Public Works and Economic Development Act of 1965, under section 506(2) of such Act, who was a Federal employee immediately prior to such employment by a commission and within six months after separation from such employment is employed in a position to which this subchapter applies, shall be treated as if transferred from a position in the executive branch to which this subchapter does not apply.'."

SEC. 106. Section 201 of the Act is amended to read as follows:

"APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

"SEC. 201. (a) In order to provide a highway system which, in conjunction with the Interstate System and other Federal-aid highways in the Appalachian region, will open up an area or areas with a developmental potential where commerce and communication have been inhibited by lack of adequate access, the Secretary of Transportation (hereafter in this section referred to as the 'Secretary') is authorized to assist in the construction of an Appalachian development highway system and local access roads serving the Appalachian region. The provisions of title 23, United States Code, that are applicable to the construction and maintenance of Federal-aid primary and secondary highways, and which the Secretary determines are not inconsistent with this Act, shall apply, respectively, to the development highway system and the local access roads. Construction on the development highway system shall not exceed two thousand seven hundred miles. Construction of local access roads shall not exceed one thousand two hundred miles that will serve specific recreational, residential, educational, commercial, industrial, or other like facilities or will facilitate a school consolidation program.

"(b) The Commission shall transmit to the Secretary its designations of (1) the general corridor location and termini of the development highways, (2) local access roads to be constructed, (3) priorities for the construction of segments of the development highways, and (4) other criteria for the program authorized by this section. Before any State member participates in or votes on such designations, he shall have obtained the recommendations of the State highway department of the State which he represents.

"(c) In no event shall the Secretary assist in any construction (including right-of-way acquisition) which would require for its completion the expenditure of Federal funds (other than funds available under title 23, United States Code) in excess of the appropriations authorization in subsection (g). On its completion each development highway not already on the Federal-aid primary system shall be added to such system and each development highway and local access road shall be required to be maintained by the State as provided for Federal-aid highways in title 23, United States Code.

"(d) In the construction of highways and roads authorized under this section, the States may give special preference to the use of materials and products indigenous to the Appalachian region.

"(e) For the purposes of research and development in the use of coal and coal products in highway construction and maintenance, the Secretary is authorized to require each participating State, to the maximum extent possible, to use coal derivatives in the construction of not to exceed 10 per centum of the roads authorized under this Act.

"(f) Federal assistance to any construction project under this section shall not exceed 50 per centum of the costs of such project, unless the Commission determines that assistance in excess of such percentage is required in furtherance of the purposes of this Act, but in no event shall such Federal assistance exceed 70 per centum of such costs.

"(g) To carry out this section, there is hereby authorized to be appropriated to the President, to be available until expended, $715,000,000 for the four-fiscal-year period ending June 30, 1971.

"(h)(1) When a participating State proceeds to construct a segment of a development highway without the aid of Federal funds, in accordance with all procedures and requirements applicable to the construction of segments of Appalachian development highways with such funds, except insofar as such procedures and requirements limit a State to the construction of projects for which Federal funds have previously been appropriated, the Secretary, upon application by the State and with the approval of the Commission, is authorized to pay to the State the Federal share not to exceed 70 per centum of the costs of the construction of such segment, from any sums appropriated and allocated to such State to carry out this section.

"(2) This subsection shall not be construed as a commitment or obligation on the part of the United States to provide funds for segments of development highways constructed under this subsection, and shall not increase the limitation on construction in subsection (c)."

SEC. 107. Section 202 of the Act is amended to read as follows:

"DEMONSTRATION HEALTH PROJECTS

"SEC. 202. (a) In order to demonstrate the value of adequate health facilities and services to the economic development of the region, the Secretary of Health, Education, and Welfare is authorized to make grants for the planning, construction, equipment, and operation of multicounty demonstration health projects, including hospitals, regional health diagnostic and treatment centers, and other facilities and services necessary to health. Grants for such construction (including the acquisition of privately owned facilities not operated for profit and initial equipment) shall be made in accordance with the applicable provisions of title VI of the Public Health Services Act (42 U.S.C. 291–291o), the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), and other laws authorizing grants for the construction of health-related facilities, without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

"(b) No grant for the construction or equipment of any component of a demonstration health project shall exceed 80 per centum of such costs. The Federal contribution may be provided entirely from funds authorized under this section or in combination with funds provided under other Federal grant-in-aid programs for the construction or equipment of health-related facilities. Notwithstanding any provision of law limiting the Federal share in such other programs, funds authorized under this section may be used to increase Federal grants for component facilities of a demonstration health project to a maximum of 80 per centum of the costs of such facilities.

"(c) Not to exceed $50,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 108. Subsection (i) of section 203 of the Act, entitled "LAND STABILIZATION, CONSERVATION, AND EROSION CONTROL", is amended to read as follows:

"(i) Not to exceed $19,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 109. Subsection (b) of section 204 of the Act is amended to read as follows:

"(b) Not to exceed $1,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 110. (a) Clause (1) of subsection (a) of section 205 of the Act, entitled "MINING AREA RESTORATION", is amended to read as follows:

"(1) make financial contributions to States in the region to seal and fill voids in abandoned coal mines and abandoned oil and gas wells, and to reclaim and rehabilitate lands affected by the strip and surface mining and processing of coal and other minerals, including lands affected by waste piles, in accordance with provisions of the Act of July 15, 1955 (30 U.S.C. 571 et seq.), to the extent applicable, without regard to section 2(b) thereof (30 U.S.C. 572(b)) or to any provisions therein limiting assistance to anthracite coal formation, or to the Commonwealth of Pennsylvania. Grants under this paragraph shall be made wholly out of funds specifically appropriated for the purposes of carrying out this Act."

(b) Strike out clause (3) of subsection (a) of section 205 of the Act.

(c) Subsection (b) of section 205 of the Act is amended to read as follows:

"(b) For the fiscal years 1966, 1967, 1968, and 1969, notwithstanding any other provision of law, the Federal share of mining area restoration projects, including reasonable planning and engineering costs, carried out under subsection (a) of this section and conducted on lands other than federally owned lands shall not exceed 75 per centum of the total cost thereof. The non-Federal share of the total cost of any project carried out under subsection (a) of this section may include reasonable land acquisition costs incurred in acquiring land necessary for the purposes of implementing such project, if such land is acquired after the date of enactment of the Appalachian Regional Development Act Amendments of 1967."

(d) The first sentence of subsection (d) of section 205 of the Act is amended to read as follows: "Not to exceed $30,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 111. Subsection (g) of section 206 of the Act, entitled "WATER RESOURCE SURVEY", is amended to read as follows:

"(g) Not to exceed $2,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 112. Part A of title II of the Act is amended by inserting at the end thereof a new section as follows:

"ASSISTANCE FOR PLANNING AND OTHER PRELIMINARY EXPENSES OF PROPOSED HOUSING PROJECTS UNDER SECTION 221 OF THE NATIONAL HOUSING ACT

"SEC. 207. (a) In order to encourage and facilitate the construction or rehabilitation of housing to meet the needs of low- and moderate-income families and individuals, the Secretary of Housing and Urban Development (hereafter in this section referred to as the 'Secretary') is authorized to make grants and loans from the Appalachian Housing Fund established by this section, under such terms and conditions as he may prescribe, to nonprofit, limited dividend, or cooperative organizations, or to public bodies, for expenses of planning and of obtaining an insured mortgage for a housing construction or rehabilitation project, under section 221 of the National Housing Act (hereafter in this section referred to as 'section 221'), in any area of the Appalachian region determined by the Commission to have significant potential for future growth.

"(b) No grant under this section shall exceed 80 per centum of those administrative expenses, incident to planning a project and obtaining an insured mortgage under section 221, which the Secretary considers not to be recoverable from the proceeds of a mortgage insured under such section: *Provided*, That no grant shall be made to an organization established for profit.

"(c) No loan under this section shall exceed 80 per centum of the cost of planning a project and obtaining an insured mortgage under section 221, including, but not limited to, preliminary surveys and analyses of

market needs, preliminary site engineering and architectural fees, site options, Federal Housing Administration and Federal National Mortgage Association fees, and construction loan fees and discounts. Loans may be made without interest, or at any market or below market interest rate authorized for a mortgage insured under section 221: *Provided*, That any loan made to an organization established for profit shall bear interest at the prevailing market rate authorized for a mortgage insured under such section. The Secretary may, except in the case of a loan to an organization established for profit, waive the repayment of all or any part of a loan made under this section, including interest, which he finds the borrower is unable to recover from the proceeds of a mortgage insured under section 221.

"(d) All funds allocated to the Secretary for the purposes of this section shall be deposited in a fund which shall be known as the Appalachian Housing Fund and shall be used as a revolving fund by the Secretary for carrying out such purposes. General expenses of administration of this section may be charged to the fund. Moneys in the fund not needed for current operation may be invested in bonds or other obligations guaranteed as to principal and interest by the United States.

"(e) Not to exceed $5,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 113. (a) Subsection (a) of section 211 of the Act, entitled "VOCATIONAL EDUCATION FACILITIES", is amended by inserting before the word "needed" in the first sentence, the following: "and for the equipment of such facilities and other school facilities".

(b) Subsection (b) of section 211 of the Act is amended to read as follows:

"(b) Not to exceed $26,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 114. Subsection (b) of section 212 the Act, entitled "SEWAGE TREATMENT WORKS", is amended to read as follows:

"(b) Not to exceed $6,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 115 (a) Section 701(a) of the Housing Act of 1954 (40 U.S.C. 461(a)) is amended by striking out "and" at the end of clause (8) and all of clause (9) and inserting in lieu thereof the following:

"(9) the Appalachian Regional Commission, for comprehensive planning for the Appalachian region as defined by section 403 of the Appalachian Regional Development Act of 1965; and

"(10) local development districts, certified under section 301 of the Appalachian Regional Development Act of 1965, for comprehensive planning for their entire areas, or for metropolitan planning, urban planning, county planning, or small municipality planning, within such areas in the Appalachian region, and for planning for Appalachian regional programs."

(b) The proviso of the first sentence of section 701(b) of the Housing Act of 1954 is amended by inserting after "States" the words "and local development districts".

SEC. 116. Section 214 of the Act is amended to read as follows:

"SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

"SEC. 214. (a) In order to enable the people, States, and local communities of the region, including local development districts, to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the President is authorized to provide funds to the Federal Cochairman to be used for the sole purpose of increasing the Federal contribution to projects under Federal grant-in-aid programs, as hereafter defined, above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. Funds shall be so provided for Federal grant-in-aid programs for which funds are available under the Acts authorizing such programs and shall be available without regard to any appropriation authorization ceilings in such Acts. Any finding, report, certification, or documentation required to be submitted to the head of the department, agency, or instrumentality of the Federal Government responsible for the administration of any Federal grant-in-aid program shall be accepted by the Federal Cochairman with respect to a supplemental grant for any project under such program.

"(b) The Federal portion of such costs shall not be increased in excess of the percentages established by the Commission, and shall in no event exceed 80 per centum thereof.

"(c) The term 'Federal grant-in-aid programs' as used in this section means those Federal grant-in-aid programs authorized by this Act for the construction or equipment of facilities, and all other Federal grant-in-aid programs authorized on or before August 1, 1967, by Acts other than this Act for the acquisition of land or the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Ast of 1963; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958. The term shall not include (A) the program for the construction of the development highway system authorized by section 201 of this Act or any other program relating to highway or road construction, or (B) any other program for which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act.

"(d) Not to exceed $71,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 117. (a) The first sentence of section 221 of the Act, entitled "MAINTENANCE OF EFFORT", is amended by striking out "exclusive of Federal funds," and inserting in lieu thereof the following: "exclusive of expenditures for participation in the National System of Interstate and Defense Highways, and exclusive of local funds and Federal funds,".

(b) The second sentence of such section is amended by inserting after "Highways" the following: "and expenditures of local funds and Federal funds".

SEC. 118. Section 223 of the Act is amended to read as follows:

"PROGRAM IMPLEMENTATION

"SEC. 223. No program or project authorized under any section of this title shall be implemented until (1) applications and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this Act, and (2) the Commission has approved such program or project and has determined that it meets the applicable criteria under section 224 and will contribute to the development of the region, which determination shall be controlling."

SEC. 119. (a) Subsection (a) of section 224 of the Act, entitled "PROGRAM DEVELOPMENT CRITERIA", is amended (1) b striking out "In developing recommendations on the" and inserting in lieu thereof: "In considering"; and (2) by striking out "within those recommendations".

(b) Subsection (b) of such section is amended by striking out clause (1) and inserting in lieu thereof the following: "(1) to assist establishments relocating from one area to another;".

SEC. 120. Section 302 of the Act, entitled "GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DEVELOPMENT DISTRICTS AND FOR RESEARCH AND DEMONSTRATION PROJECTS", is amended by (1) striking out subsections (a) through (c); (2) redesignating subsection (d) as subsection (e); and (3) inserting the following new subsections (a) through (d):

"(a) The President is authorized—

"(1) to make grants to the Commission for administrative expenses, including technical services, of local development districts, but (A) the amount of any such grant shall not exceed 75 per centum of such expenses, (B) no grants for administrative expenses shall be made for a local development district for a period in excess of three years beginning on the date the initial grant is made for such development district, and (C) the local development district contributions for administrative expenses may be in cash or in kind, fairly evaluated, including but not limited to space, equipment, and services; and

"(2) to make grants to the Commission for investigation, research, studies, technical assistance, and demonstration projects, and for training programs, but not for construction purposes, which will further the purposes of this Act.

"(b) The Commission is authorized to make a survey and study of acid pollution in the region resulting from mining activities and the effects of such pollution, in full cooperation with the Secretary of the Interior and other appropriate Federal, State, and local departments and agencies, with the objective of developing a comprehensive action program for the appropriate control, reduction, or elimination of such pollution in the region or the effects of such pollution. the Commission shall submit to the President a report, including specific recommendations for such program and for the policies under which it should be conducted, and the President shall submit the report to the Congress, together with his recommendations, not later than March 31, 1969. The study shall, among other matters—

"(1) Identify sources of acid mine pollution in the region and their type, area, ownership, and other characteristics; the relative contribution of each source; and the impact of each source on water quality in the streams affected.

"(2) Identify present and potential water-using and other activities which are affected by acid mine pollution in the region, or originating in the region, and the economic and social costs and effects attributable to such pollution.

"(3) Identify known methods and costs for the control and abatement of acid mine pollution.

"(4) Estimate economic and social benefits, public and private, that are likely to result from reducing to various levels acid mine pollution in the streams of the region and identify the types of beneficiaries and the relative distribution of the benefits to such beneficiaries.

"(5) Consider the appropriate roles of Federal, State, and private interests in programs for the control, reduction, or elimination of acid mine pollution in the region and the relative costs which each should bear, including specifically (A) the extent, if any, to which private interests can bear the cost of such programs within the economics of mining activity, (B) the effectiveness of past action by Federal, State, and local units of government in remedying or controlling the adverse effects of acid mine pollution, (C) relationships which might be established

among Federal, State, and local units of government, and with private interests, for implementing and funding such programs, and (D) the need for appropriate Federal and State legislation, including adequate enforcement provisions, for such programs.

"(6) Formulate a program for the appropriate control, reduction, or elimination of acid mine pollution in the region, including the identification of specific objectives and costs, with due consideration to: (A) the developmental effects of the program, (B) the economic benefits of the program in relation to costs, (C) the social effects of the program, (D) the avoidance of unwarranted financial gain to private interests, and (E) the types and sources of aid required to accomplish the program.

"(c)(1) The Commission shall, as required by the President, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the President. The records of the Commission shall be available for audit with respect to such grants by the President and the Comptroller General or their duly authorized representatives.

"(2) Recipients of Federal assistance under the provisions of this section shall, as required by the Commission, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the Commission. Such records shall be available for audit by the President, the Comptroller General, and the Commission or their duly authorized representatives.

"(d) Not to exceed $10,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section. Not to exceed $3,000,000 of such authorization shall be available for the purposes of subsection (b)."

SEC. 121. Section 303 of the Act is amended to read as follows:

"PROJECT APPROVAL

"SEC. 303. An application for a grant or for any other assistance for a program or project under this Act shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under the Act shall be approved for assistance. No project shall be approved by the Commission unless the Commission is satisfied that the project will be properly administered, operated, and maintained."

SEC. 122. Section 401 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 401. In addition to the appropriations authorized in section 105 and in section 201 for the Appalachian development highway system and local access roads, there is hereby authorized to be appropriated to the President, to be available until expended, not to exceed $170,000,000 for the two-fiscal-year period ending June 30, 1969, to carry out this Act."

SEC. 123. (a) Section 403 of the Act, entitled "DEFINITION OF APPALACHIAN REGION", is amended—

(1) by inserting in the clause relating to the counties in Alabama after "Jefferson," the following: "Lamar," and after "Morgan," the following: "Pickens,";

(2) by inserting after the clause relating to the counties in Maryland the following:

"In Mississippi, the counties of Alcorn, Benton, Chickasaw, Choctaw, Clay, Itawamba, Kemper, Lee, Lowndes, Marshall, Monroe, Noxubee, Oktibbeha, Pontotoc, Prentiss, Tippah, Tishomingo, Union, Webster, and Winston;

"In New York, the counties of Allegany, Broome, Cattaraugus, Chautauqua, Chemung, Chenango, Cortland, Delaware, Otsego, Schoharie, Schuyler, Steuben, Tioga, and Tompkins;"; and

(3) by inserting in the clause relating to the counties in Tennessee after "Campbell" the following: "Cannon,".

(b) Such section is further amended by striking out the colon following "West Virginia" and inserting in lieu thereof a period, and by striking out all of the remainder of such section and inserting in lieu thereof the following:

"No recommendation for any change in the definition of the Appalachian region as set forth in this section shall be proposed or considered by the Commission without a prior resolution by the Committee on Public Works of the Senate or of the House of Representatives, directing a study of such change."

TITLE II—AMENDMENTS TO THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

SEC. 201. Subsection (a) of section 503 of the Public Works and Economic Development Act of 1965 is amended by striking the semicolon after clause (2), inserting a comma, and the following: "including the development of a comprehensive long-range economic plan approved by the Secretary;".

SEC. 202. Subsection (c) of section 505 of the Public Works and Economic Development Act of 1965 is amended by adding at the end thereof the following:

"Not to exceed $2,500,000 of the funds authorized to be appropriated by this subsection for each fiscal year shall be allocated by the Secretary to each regional commission to carry out the purposes of this section."

SEC. 203. Section 509 of the Public Works and Economic Development Act of 1965 is amended by redesignating such section as section 510 and by inserting after section 508 the following new section 509:

"SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

"SEC. 509. (a) In order to enable the States and other entities within economic development regions established under this Act to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the Secretary is authorized, once a comprehensive long-range economic plan established pursuant to clause (2) of section 503(a) of this Act is in effect, and pursuant to specific recommendations, approved by him, of the regional commissions heretofore or hereafter established under this title and after consultation with appropriate Federal officials, to allocate funds appropriated to carry out this section to the heads of the departments, agencies, and instrumentalities of the Federal Government responsible for the administration of such Federal grant-in-aid programs, to be used for the sole purpose of increasing the Federal contribution to projects under such programs above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. No program or project authorized under this section shall be implemented until (1) applications and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this Act, and (2) the Regional Commission involved has approved such program or project and has determined that it meets the applicable criteria under section 504 and will contribute to the development of the region, which determination shall be controlling. Funds may be provided only for Federal grant-in-aid programs for which funds are available under the Act authorizing such programs. Funds so provided shall be available without regard to any appropriation authorization ceilings in such Act.

"(b) The Federal portion of such costs shall not be increased in excess of the percentages established by each commission, and shall in no event exceed 80 per centum thereof.

"(c) The term 'Federal grant-in-aid programs' as used in this section means all Federal grant-in-aid programs in existence on or before August 1, 1967, assisting in the acquisition of land or the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by title I of this Act and by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communication Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; and National Defense Education Act of 1958. The term shall not include any program in which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this section, and shall not be taken into account in the computation of allocations among the States made pursuant to any other provision of law.

"(d) There is hereby authorized to be appropriated to the Secretary for use in each of the regions for the purposes of this section the sum of $5,000,000 for the period ending June 30, 1968, and the sum of $10,000,000 for the fiscal year ending June 30, 1969.

"(e) An application for a grant under this section shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under this section shall be approved for assistance."

SEC. 204. The Public Works and Economic Development Act of 1965 is amended by adding at the end of title VI thereof the following new section:

"ADMINISTRATION, OPERATION, AND MAINTENANCE

"SEC. 604. No Federal assistance shall be approved under this Act unless the responsible Federal official is satisfied that the project for which Federal assistance is granted will be properly and efficiently administered, operated, and maintained."

And, to amend the title so as to read: "An act to revise and extend the Appalachian Regional Development Act of 1965, and to amend the Public Works and Economic Development Act of 1965."

Mr. RANDOLPH. Mr. President, I move that the Senate disagree to the House amendment to Senate bill 602, the Appalachian Regional Development Act, and request a conference with the House on the disagreeing votes thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. RANDOLPH, Mr. MUSKIE, Mr. TYDINGS, Mr. SPONG, Mr. COOPER, Mr. JORDAN of Idaho, and Mr. BAKER conferees on the part of the Senate.

INDEPENDENT OFFICES APPROPRIATIONS, 1968

The Senate resumed the consideration of the bill (H.R. 9960) making appropriations for sundry independent executive bureaus, boards, commissions, cor-

in the committee bill as section 12, and, briefly, it works to funnel Federal funds directly to those hospitals which, according to specified standards written into the bill, are determined by the Secretary of Health, Education, and Welfare to be critically overcrowded and unable to provide adequate service.

The important thing about the Partnership for Health bill, in my estimation, is that it carries out a philosophy we have been working toward since the enactment of public health laws back in 1936. Without question, the main thrust of the partnership for health bill, as originally introduced, was to consolidate many existing categories of grants, and allow the States greater flexibility and autonomy in incorporating Federal assistance into their own overall health programs. I believe this is a commendable goal. It shows that the health program has matured to the point that the States can initiate individual efforts, utilizing Federal assistance without overriding Federal control.

Part and parcel of the theory of autonomy in planning and action is that States must be able to exercise an effective control over the health programs within their area. If they are to provide a good public health program, they cannot have numerous uncontrolled public health programs flying about. Fragmentation of health planning and construction is what we are fighting at every turn, and whether we speak of the private or public sector of health, there is no denying that control and guidance is essential. There is no reasonably way a public health program can effectively supplement the private health sector without consolidation of public programs on the one hand, and coordination of State agencies with the private sector on the other.

Only last week, the House passed a bill perpetuating a fragmented program. The Appalachian Regional Development Act provided $28 million over and above the $41 million already approved for demonstration health projects. If there is such a pressing need for new health facilities and services in the Appalachian area, why not channel these funds through the existing Hill-Burton agencies to assure that their application is consistent with what is going on in the rest of the State?

The Hospital Emergency Assistance Act sets standards that are applied entirely in the discretion of the Secretary of Health, Education, and Welfare. There is an incidental provision that applications for emergency assistance will be "coordinated" with existing health services available to the community, but this amounts to little more than a notification to the State agency of a project already set for implementation. In bypassing the priorities procedures that have worked so well under the Hill-Burton State agencies, section 12 is a step back rather than forward.

A Presidential Commission is studying the changes needed when Hill-Burton related programs come up for review next year. Emergency assistance of the type covered in section 12 is one of the subjects under consideration by the Commission. I believe that before we take a step which could do harm to the Hill-Burton program, and set a precedent for further splitting off of assistance programs, we should study the problem more carefully.

Mr. BROYHILL of North Carolina. Mr. Chairman, I move to strike the necessary number of words.

I rise in sunpport of the Springer amendment. I cannot agree with the inclusion of section 12 in this otherwise commendable legislation.

This section was not included in the original bill. It was not the subject of complete and full hearings. It was not requested by administration witnesses.

This is an amendment to the Hill-Burton program for construction and modernization of hospitals, a program which has operated successfully for over 20 years. Hill-Burton program comes up for review and renewal early next year. Then is the time to go into questions of additional funds for hospital construction.

Under Hill-Burton, funds for construction of new hospitals and modernization of old hospitals, are provided by formula to the individual States. At the State level, the plans for implementing the program are made, here is where the priorities are set.

I can speak from some experience in having seen the program operate in my State of North Carolina. In North Carolina, the Medical Care Commission has the responsibility of submitting statewide plans and setting priorities. This commission has done a good job. It has been alert to the health needs of the State.

However, under section 12, the North Carolina Medical Care Commission will be completely bypassed in the allocation of funds. The secretary would make grants directly to individual hospitals and communities. Where are the guidelines? How will the Secretary decide where to allocate the funds? It should be clear that we are in danger of setting up a new program under Hill-Burton which would be complicated to administer, and open to "political log-rolling." In fact, with a new and untried program of this sort, Members of Congress would be under considerable pressure from back at home to obtain a portion of these funds. Let us not set up a program that could create confusion within a successful program, and where political manipulation could be possible.

I agree with the remarks of the gentleman from Illinois [Mr. SPRINGER]. Keep in mind, that these funds were not requested by the administration and are not in the Federal budget. Next year will be the time to go into this program in greater detail.

Mr. LENNON. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL of North Carolina. I yield to my colleague, the gentleman from North Carolina.

Mr. LENNON. Mr. Chairman, I want to commend my friend, my colleague, the gentleman from North Carolina, for his support of this amendment. He and I both know that in 1947 the General Assembly of North Carolina passed an act implementing the passage of the Hill-Burton Act in 1946, creating the North Carolina Medical Care Commission.

Mr. BROYHILL of North Carolina. That is correct.

Mr. LENNON. Under this proposal, under section 12, we would for all practical purposes bypass the State planning organizations that were created by the legislatures of the several States. Irrespective of what may be said by our friends from the large urban cities, those States have comparable medical care commissions or State planning bodies, and the applications should properly go through those State planning bodies in order that we can move forward under a very splendid program.

It is my urgent hope that the Members of this House will support—and I concede to my friend from the urban area of Chicago that there is need, and if this legislation could be drawn so that under section 12 these applications both for construction grants, and for planning for construction, and for staff and nurses, as well as general deficits, could go through the State planning bodies, we would see it a little bit differently, but it does not go through the State planning bodies or boards.

Mr. Chairman, I thank the gentleman for yielding.

Mr. BROYHILL of North Carolina. Mr. Chairman, my colleague from North Carolina has stated the case correctly for North Carolina, where, of course, I have had the most experience with this program. The medical care commission has the responsibility for planning, and it is alert to the needs. It has done a good job.

I think this amendment is in order so that we can continue a program that has accomplished a good purpose and which should be continued.

Mr. WATSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I hope I shall not take the 5 minutes.

Aside from the points that I think are very valid, that this section 12 bypasses the normal processes in the State, I have been sitting here just asking myself the question: Have we totally lost our minds?

The gentleman from New York is saying here that 150,000 people will go without medical help or proper care if the Federal Government does nothing about it. How foolish can we be?

Medical care is not our responsibility alone. I applaud the Hill-Burton program. If Members are so concerned about folks in their district not getting adequate medical care, why do they not do what we just did in Richland County, S.C., where the folks are the poorest—or, thanks to Mississippi—next to the poorest? Just a month ago our people decided we did not have adequate medical care, and we voted upon ourselves a $24 million bond issue.

What is wrong with us? We do not want to tell the American people and other folks that unless we pass this section 12, with $58 million—$40 million in grants and $18 million for loans—people are not going to have adequate care. How ridiculous can we be?

We have an orderly program. The President has not requested this.

Although they say it is a single shot proposition, we can rest assured that they will have 10 times as many appli-

cations the first year as funds available to care for them. They will never be able to stop, because if we give emergency help to New York we will have to give it to California and to Illinois, and we will have to give a little bit down South.

I say to my friends, consider the taxpayers.

If Members have such a drastic problem in their areas, what about asking the people to do something about it, as we just did in Richland County, S.C.?

Frankly, gentlemen, we not only have compassion for those who need medical help, but we are willing to put our money where our mouths are and not run up to Washington and try to get the Federal Government to take care of our problem.

Mr. STAGGERS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. BROOKS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6418) to amend the Public Health Service Act to extend and expand the authorizations for grants for comprehensive health planning and services, to broaden and improve the authorization for research and demonstrations relating to the delivery of health services, to improve the performance of clinical laboratories, and to authorize cooperative activities between the Public Health Service hospitals and community facilities, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on the bill just considered, and on the Reuss amendment and on the Springer amendment to section 12.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

APPOINTMENT OF CONFEREES ON S. 602, TO REVISE AND EXTEND THE APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965, AND TO AMEND TITLE V OF THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 602) to revise and extend the Appalachian Regional Development Act of 1965, and to amend title V of the Public Works and Economic Development Act of 1965, with House amendments thereto, insist upon the House amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Alabama? The Chair hears none, and appoints the following conferees: Messrs. FALLON, JONES of Alabama, WRIGHT, EDMONDSON, CRAMER, SCHWENGEL, and CLEVELAND.

CORRECTION OF VOTE

Mr. EILBERG. Mr. Speaker, on rollcall No. 244 I am recorded as not voting. I was present and voted "yea." I ask unanimous consent that the permanent RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

CONFERENCE REPORT ON S. 953, AMENDMENT OF FOOD STAMP ACT OF 1964

Mr. POAGE submitted the following conference report and statement on the bill (S. 953) to amend the Food Stamp Act of 1964 for the purpose of authorizing appropriations for fiscal years subsequent to the fiscal year ending June 30, 1967.

The conference report and statement follow:

CONFERENCE REPORT (H. REPT. No. 649)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 953) to amend the Food Stamp Act of 1964 for the purpose of authorizing appropriations for fiscal years subsequent to the fiscal year ending June 30, 1967, having met, after full and free conference, have been unable to agree.

W. R. POAGE,
E. C. GATHINGS,
FRANK A. STUBBLEFIELD,
PAGE BELCHER,
CHARLES M. TEAGUE,
Managers on the Part of the House.

ALLEN J. ELLENDER,
SPESSARD L. HOLLAND,
HERMAN E. TALMADGE,
JOSEPH M. MONTOYA,
WALTER F. MONDALE,
GEORGE D. AIKEN,
MILTON R. YOUNG,
J. CALEB BOGGS,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 953) to amend the Food Stamp Act of 1964 for the purpose of authorizing appropriations for fiscal years subsequent to the fiscal year ending June 30, 1967, report that the conferees have been unable to agree.

W. R. POAGE,
E. C. GATHINGS,
FRANK A. STUBBLEFIELD,
PAGE BELCHER,
CHARLES M. TEAGUE.
Managers on the Part of the House.

Mr. POAGE. Mr. Speaker, I call up the conference report on the bill (S. 953) to amend the Food Stamp Act of 1964 for the purpose of authorizing appropriations for fiscal years subsequent to the fiscal year ending June 30, 1967, and ask for its immediate consideration.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report.

(For conference report, see proceedings of the House of today.)

The SPEAKER. The Chair lays before the House the Senate amendments to the House amendment to S. 953, which the Clerk will read.

The Clerk read as follows:

In lieu of the matter proposed to be inserted by the House engrossed amendment insert:

"That the first sentence of subsection (a) of section 16 of the Food Stamp Act of 1964 is amended by inserting after 'June 30, 1967;' the following: 'not in excess of $200,000,000 for the fiscal year ending June 30, 1968; not in excess of $225,000,000 for the fiscal year ending June 30, 1969;'.

"SEC. 2. Section 16(a) of such Act is further amended by inserting at the end thereof the following: 'This Act shall be carried out only with funds appropriated from the general fund of the Treasury for that specific purpose and in no event shall it be carried out with funds derived from permanent appropriations.'"

MOTION OFFERED BY MR. POAGE

Mr. POAGE. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. POAGE moves that the House recede and concur in the Senate amendments to the House amendment to S. 953.

Mr. POAGE. Mr. Speaker, I have opposed the extension of this bill for a longer period than 1 year, but it seems quite obvious that if we are to have a food stamp bill—and I want a food stamp bill—we are going to have to accept some kind of a compromise. This is a compromise between the 3-year and the 1-year versions. I think that a properly administered food stamp program is the best and cheapest program of its kind. For that reason I feel it is desirable that we proceed to accept the Senate amendments at this time.

I felt, and still feel, that a 1-year extension was the better course. This House voted for a 1-year bill. I felt that your conferees were obligated to insist on this provision inasmuch as the House had by separate vote recorded its wish. As a conferee it is my purpose to reflect the expressed will of the House. I think that my colleagues on the conference agreed with this thinking. For this reason we refused to accept an agreement on other terms.

On the other hand, we felt that if this House now wants to reverse its position it has a perfect right to do so. Our action is intended to allow the House to reverse its action if this is its desire. I feel that you have that right. As your agent I did not have it.

The motion I have made gives you the opportunity to decide for yourselves. I believe that is fair to all. I am for the food stamp program, so I shall vote "aye."

Before I complete my statement I want to express my appreciation to my colleague from Oklahoma [Mr. BELCHER]. Although he does not agree with me as to the desirability of the food stamp program, he has cooperated to bring this matter to a vote. Let me also express my appreciation to the lady from Missouri [Mrs. SULLIVAN], who has worked so hard for the program. I have disagreed with her methods, but never her motives.

I yield now 30 minutes to the gentleman from Oklahoma [Mr. BELCHER].

Mr. BELCHER. Mr. Speaker, I have always opposed the food stamp plan and opposed it here when it passed the House. The House did not agree with me. They passed the bill for a 1-year extension. The Senate passed a 3-year extension.

11. TRANSPORTATION. The Commerce Committee ordered reported (but did not actually report) S. 1314, to broaden the definition of the term "bulk commodities" under the Interstate Commerce Act. p. D853

HOUSE

12. APPALACHIA. Received the conference report on S. 602, to revise and extend the Appalachian Regional Development Act of 1965 (H. Rept. 706). pp. H12489-93

13. MILITARY CONSTRUCTION. Conferees were appointed on H. R. 11722, the military construction authorization bill (p. H12439). Senate conferees have been appointed. This bill includes authorization of appropriations for payment on the debt to CCC for foreign currencies used in prior years by the Defense Department for foreign military family housing.

14. ESKILDSEN. Reps. Poage and Dole expressed deep regret over the untimely death of Deputy Assistant Secretary Eskildsen and praised his outstanding contributions to agricultural affairs. pp. H12440-1

15. WORLD HUNGER. Rep. Adair commended and inserted former Vice President Nixon's speech before the National Convocation on World Hunger. pp. H12493-5

16. POVERTY. Rep. Button inserted a transcript of an interview with Gov. Rockefeller and Whitney Young, a National Urban League executive, in which the Governor praised the poverty program. pp. H12501-3

Rep. Clark inserted an article, "How Community Action Program Works." pp. H12532-3

17. ECONOMY. Rep. Curtis discussed the proposed tax increase and inserted a speech he made on the "Current Economic Trends in America." pp. H12504-5

Rep. Whalen inserted the testimony of an economics professor on the proposed tax increase in which he summarized "capital market considerations, and the threat of even more inflation than we now have, clearly require strict limits on federal spending and, unhappily, also an increase in taxes. pp. H12510-12

Rep. Laird inserted the remarks of Rep. Byrnes before the American Bankers Association on the proposed tax increase and stated "the country is in a dangerous fiscal mess." pp. H12519-5

18. APPROPRIATIONS. Rep. Bow stated that it is his intention when the continuing resolution is considered today, Sept. 27, "to have in that continuing resolution an expenditure limitation limiting the expenditures for the fiscal year 1968 to $131 billion." pp. H12521-24

19. OPINION POLL. Reps. Dwyer and Quillen inserted the results of questionnaires including items of interest to this Department. pp. H12508-9, H12510

20. COUNTY AGENTS. Rep. Purcell inserted Secretary Freeman's speech before the National Association of County Agricultural Agents in Omaha. pp. H12538-40

21. RECREATION. Rep. Kastenmeier spoke in support of the designation of the Apostle Islands area as a national lakeshore. pp. H12542-3

22. FARM BUREAU. Rep. Resnick stated that in his investigation of the "vast commercial activities of the tax-exempt American Farm Bureau Federation" he has discovered that "worthless certificates...have been issued in lieu of cash by the Nation's cooperatives to their patrons, most of whom are farmers." pp. H12545-6

23. RESEARCH. Rep. Tunney stated the proposed Fire Research and Safety Act "will mean much better fire protection for both urban and rural America. pp. H12549-50

ITEMS IN APPENDIX

24. TAXATION. Reps. Ullman and Nedzi inserted economist Paul W. McCracken's testimony in support of the President's tax proposal. pp. A4791-4

Extension of remarks of Rep. Rumsfeld stating that "low-priority Federal programs can and should be reduced", and inserting an article, "Tax Arguments That Work Both Ways." p. A4799

Rep. Fraser inserted Walter W. Heller's comments recommending a tax increase. pp. A4801-3

BILLS INTRODUCED

25. TEXTILE IMPORTS. H. R. 13128 by Rep. Meeds and H. R. 13136 by Rep. Leggett, to provide for orderly trade in textile articles; to Ways and Means Committee.

26. LANDS. S. 2466 by Sen. Tydings, to amend section 704 of the Housing and Urban Development Act of 1965; to Banking and Currency Committee. Remarks of author pp. S13595-7

27. RECREATION. H. R. 13124 by Rep. Kastenmeier and others, to provide for the establishment of the Apostle Islands National Lakeshore in the State of Wisconsin; to Interior and Insular Affairs Committee.

28. TAXATION. H. R. 13127 by Rep. Lipscomb, to provide for the establishment of a Commission on Federal Taxation; to Ways and Means Committee.

29. DAIRY IMPORTS. H. R. 13130 by Rep. Perkins, to regulate imports of milk and dairy products; to Ways and Means Committee.

30. CIGARETTES. H. R. 13133 by Rep. Corman, to amend the Internal Revenue Code of 1954 to tax cigarettes on the basis of their tar and nicotine content; to Ways and Means Committee.

31. MINK IMPORTS. H. R. 13142 by Rep. Vigorito, to amend the tariff schedules of the United States with respect to the rate of duty on whole skins of mink, whether or not dressed; to Ways and Means Committee.

32. FLOOD INSURANCE. H. R. 13146 by Rep. Hammerschmidt, to amend the Federal Flood Insurance Act of 1956, to provide for a national program of flood insurance; to Banking and Currency Committee.

33. FISH IMPORTS. H. R. 13149 by Rep. Sandman, to amend the tariff schedules of the United States to provide that the amount of groundfish imported into the United States shall not exceed the average annual amount thereof imported during 1963 and 1964; to Ways and Means Committee.

90TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } { No. 706

APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1967

SEPTEMBER 26, 1967.—Ordered to be printed

Mr. FALLON, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany S. 602]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 602) to revise and extend the Appalachian Regional Development Act of 1965, and to amend title V of the Public Works and Economic Development Act of 1965, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

TITLE I—APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1967

SEC. 101. This title may be cited as the "Appalachian Regional Development Act Amendments of 1967".

SEC. 102. Section 102 of the Appalachian Regional Development Act of 1965 (hereinafter in this title referred to as "the Act") is amended (1) by inserting "and" at the end of clause (7); (2) by striking out the semicolon and the word "and" at the end of clause (8) and inserting in lieu thereof a period; and (3) by striking out clause (9).

SEC. 103. Section 105 of the Act is amended to read as follows:

"*ADMINISTRATIVE EXPENSES OF THE COMMISSION*

"*SEC. 105. (a) For the period ending on June 30, 1967, the administrative expenses of the Commission shall be paid by the Federal Govern-*

ment. Thereafter, such expenses shall be paid 50 per centum by the Federal Government and 50 per centum by the States in the region, except that the expenses of the Federal Cochairman, his alternate, and his staff shall be paid solely by the Federal Government. The share to be paid by each State shall be determined by the Commission. The Federal Cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

"(b) To carry out this section, there is hereby authorized to be appropriated to the Commission, to be available until expended, not to exceed $1,700,000 for the two-fiscal-year period ending June 30, 1969. Not to exceed $400,000 of such authorization shall be available for the expenses of the Federal Cochairman, his alternate, and his staff. Unexpended balances of appropriations under the authorization in this section prior to amendment by the Appalachian Regional Development Act Amendments of 1967 shall remain available for the purposes of this section, as amended, until expended."

SEC. 104. Clause (7) of section 106 of the Act, entitled "ADMINISTRATIVE POWERS OF THE COMMISSION", is amended to read as follows:

> *"(7) enter into and perform such contracts, leases (including, notwithstanding any other provision of law, the lease of office space for any term expiring no later than June 30, 1971), cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States (which is hereby so authorized to the extent not otherwise prohibited by law) or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation."*

SEC. 105. Title I of the Act is amended by inserting at the end thereof a new section as follows:

"COMMISSION EMPLOYEE PROTECTIONS

"SEC. 109. Section 5334(a) of title 5, United States Code, is amended by adding at the end thereof the following new sentence: 'For the purpose of this subsection, an individual employed by the Appalachian Regional Commission under section 106(a) of the Appalachian Regional Development Act of 1965, or by a regional commission established pursuant to section 502 of the Public Works and Economic Development Act of 1965, under section 506(2) of such Act, who was a Federal employee immediately prior to such employment by a commission and within six months after separation from such employment is employed in a position to which this subchapter applies, shall be treated as if transferred from a position in the executive branch to which this subchapter does not apply.'."

SEC. 106. Section 201 of the Act is amended to read as follows:

"APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

"SEC. 201. (a) In order to provide a highway system which, in conjunction with the Interstate System and other Federal-aid highways in the Appalachian region, will open up an area or areas with a developmental potential where commerce and communication have been inhibited

by lack of adequate access, the Secretary of Transportation (hereafter in this section referred to as the 'Secretary') is authorized to assist in the construction of an Appalachian development highway system and local access roads serving the Appalachian region. The provisions of title 23, United States Code, that are applicable to the construction and maintenance of Federal-aid primary and secondary highways, and which the Secretary determines are not inconsistent with this Act, shall apply, respectively, to the development highway system and the local access roads. Construction on the development highway system shall not exceed two thousand seven hundred miles. Construction of local access roads shall not exceed one thousand six hundred miles that will serve specific recreational, residential, educational, commercial, industrial, or other like facilities or will facilitate a school consolidation program.

"(b) The Commission shall transmit to the Secretary its designations of (1) the general corridor location and termini of the development highways, (2) local access roads to be constructed, (3) priorities for the construction of segments of the development highways, and (4) other criteria for the program authorized by this section. Before any State member participates in or votes on such designations, he shall have obtained the recommendations of the State highway department of the State which he represents.

"(c) In no event shall the Secretary assist in any construction (including right-of-way acquisition) which would require for its completion the expenditure of Federal funds (other than funds available under title 23, United States Code) in excess of the appropriations authorization in subsection (g). On its completion each development highway not already on the Federal-aid primary system shall be added to such system and each development highway and local access road shall be required to be maintained by the State as provided for Federal-aid highways in title 23, United States Code.

"(d) In the construction of highways and roads authorized under this section, the States may give special preference to the use of materials and products indigenous to the Appalachian region.

"(e) For the purposes of research and development in the use of coal and coal products in highway construction and maintenance, the Secretary is authorized to require each participating State, to the maximum extent possible, to use coal derivatives in the construction of not to exceed 10 per centum of the roads authorized under this Act.

"(f) Federal assistance to any construction project under this section shall not exceed 50 per centum of the costs of such project, unless the Commission determines that assistance in excess of such percentage is required in furtherance of the purposes of this Act, but in no event shall such Federal assistance exceed 70 per centum of such costs.

"(g) To carry out this section, there is hereby authorized to be appropriated to the President, to be available until expended, $715,000,000 for the four-fiscal-year period ending June 30, 1971.

"(h)(1) When a participating State proceeds to construct a segment of a development highway without the aid of Federal funds, in accordance with all procedures and requirements applicable to the construction of segments of Appalachian development highways with such funds, except insofar as such procedures and requirements limit a State to the construction of projects for which Federal funds have previously been appropriated, the Secretary, upon application by the State and with the approval of the Commission, is authorized to pay to the State the Federal share not to exceed 70 per centum of the costs of the construction of such seg-

ment, from any sums appropriated and allocated to such State to carry out this section.

"(2) This subsection shall not be construed as a commitment or obligation on the part of the United States to provide funds for segments of development highways constructed under this subsection, and shall not increase the limitation on construction in subsection (c)."

SEC. 107. Section 202 of the Act is amended to read as follows:

"DEMONSTRATION HEALTH PROJECTS

"SEC. 202. (a) In order to demonstrate the value of adequate health facilities and services to the economic development of the region, the Secretary of Health, Education, and Welfare is authorized to make grants for the planning, construction, equipment, and operation of multi-county demonstration health projects, including hospitals, regional health diagnostic and treatment centers, and other facilities and services necessary to health. Grants for such construction (including the acquisition of privately owned facilities not operated for profit and initial equipment) shall be made in accordance with the applicable provisions of title VI of the Public Health Service Act (42 U.S.C. 291–291o), the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), and other laws authorizing grants for the construction of health-related facilities, without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

"(b) No grant for the construction or equipment of any component of a demonstration health project shall exceed 80 per centum of such costs. The Federal contribution may be provided entirely from funds authorized under this section or in combination with funds provided under other Federal grant-in-aid programs for the construction or equipment of health-related facilities. Notwithstanding any provision of law limiting the Federal share in such other programs, funds authorized under this section may be used to increase Federal grants for component facilities of a demonstration health project to a maximum of 80 per centum of the costs of such facilities.

"(c) Grants under this section for operation (including initial operating funds and operating deficits comprising among other items the costs of attracting, training, and retaining qualified personnel) of a demonstration health project, whether or not constructed with funds authorized by this section, may be made for up to 100 per centum of the costs thereof for the two-year period beginning, for each component facility or service assisted under any such operating grant, on the first day that such facility or service is in operation as a part of the project. For the next three years of operations such grants shall not exceed 50 per centum of such costs. No grant for operation of a demonstration health project shall be made unless the facility is publicly owned, or owned by a public or private nonprofit organization, and is not operated for profit. No grants for operation of a demonstration health project shall be made after five years following the commencement of the initial grant for operation of the project. No such grants shall be made unless the Secretary of Health, Education, and Welfare is satisfied that the operation of the project will be conducted

under efficient management practices designed to obviate operating deficits. Notwithstanding section 104 of the Public Works and Economic Development Act of 1965 (79 Stat. 554), a health-related facility constructed under title I of that Act may be a component of a demonstration health project eligible for operating grant assistance under this section.

"(d) The Secretary of Health, Education, and Welfare is authorized to provide funds to the Commission for the support of its Health Advisory Committee and to make grants for expenses of planning necessary for the development and operation of demonstration health projects for the region. The amount of any such grant shall not exceed 75 per centum of such expenses.

"(e) Not to exceed $50,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 108. Subsection (i) of section 203 of the Act, entitled "LAND STABILIZATION, CONSERVATION, AND EROSION CONTROL", is amended to read as follows:

"(i) Not to exceed $19,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 109. Section 204 of the Act is amended by striking out subsection (b) and inserting in lieu thereof the following new subsections (b) and(c):

"(b) The Secretary of Agriculture is authorized to provide technical assistance, make grants, enter into contracts, or otherwise provide funds, first to colleges, universities and other institutions of higher education (with priority to land grant schools), and thereafter to forest products research institutions in the region and other appropriate public and private organizations, which schools, institutions, and organizations have the demonstrated capability to perform such research, for Appalachian hardwood products research, including investigations, studies, and demonstrations, which will further the purposes of this Act. Funds shall be provided only for programs and projects which will contribute significantly to the development of (1) Appalachian hardwood technology, (2) new or improved uses of Appalachian hardwood resources, (3) new or improved processes or methods for producing hardwood products, or (4) new or improved markets for such products. Funds under this section shall be provided solely out of sums specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the allocation or distribution of funds pursuant to any other provision of law.

"(c) Not to exceed $2,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out the purposes of subsection (b) of this section."

SEC. 110. (a) Clause (1) of subsection (a) of section 205 of the Act, entitled "MINING AREA RESTORATION", is amended to read as follows:

"(1) make financial contributions to States in the region to seal and fill voids in abandoned coal mines and abandoned oil and gas wells, and to reclaim and rehabilitate lands affected by the strip and surface mining and processing of coal and other minerals, including lands affected by waste piles, in accordance with provisions of the Act of July 15, 1955 (30 U.S.C. 571 et seq.), to the extent applicable, without regard to section 2(b) thereof (30 U.S.C. 572(b)) or to any provisions therein limiting assistance to anthracite coal formation, or to the Commonwealth of Pennsylvania. Grants under this paragraph shall be made wholly out of funds specifically appropriated for the purposes of carrying out this Act."

(b) Strike out clause (3) of subsection (a) of section 205 of the Act.

(c) Subsection (b) of section 205 of the Act is amended to read as follows:

"(b) For the fiscal years 1966, 1967, 1968, and 1969, notwithstanding any other provision of law, the Federal share of mining area restoration projects, including reasonable planning and engineering costs, carried out under subsection (a) of this section and conducted on lands other than federally owned lands shall not exceed 75 per centum of the total cost thereof. The non-Federal share of the total cost of any project carried out under subsection (a) of this section may include reasonable land acquisition costs incurred in acquiring land necessary for the purposes of implementing such project, if such land is acquired after the date of enactment of the Appalachian Regional Development Act Amendments of 1967."

(d) The first sentence of subsection (d) of section 205 of the Act is amended to read as follows: "Not to exceed $30,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 111. Subsection (g) of section 206 of the Act, entitled "WATER RESOURCE SURVEY", is amended to read as follows:

"(g) Not to exceed $2,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 112. Part A of title II of the Act is amended by inserting at the end thereof a new section as follows:

"ASSISTANCE FOR PLANNING AND OTHER PRELIMINARY EXPENSES OF PROPOSED HOUSING PROJECTS UNDER SECTION 221 OF THE NATIONAL HOUSING ACT

"SEC. 207. (a) In order to encourage and facilitate the construction or rehabilitation of housing to meet the needs of low- and moderate-income families and individuals, the Secretary of Housing and Urban Development (hereafter in this section referred to as the 'Secretary') is authorized to make grants and loans from the Appalachian Housing Fund established by this section, under such terms and conditions as he may prescribe, to nonprofit, limited dividend, or cooperative organizations, or to public bodies, for expenses of planning and of obtaining an insured mortgage for a housing construction or rehabilitation project, under section 221 of the National Housing Act (hereafter in this section referred to as 'section 221'), in any area of the Appalachian region determined by the Commission to have significant potential for future growth.

"(b) No grant under this section shall exceed 80 per centum of those administrative expenses, incident to planning a project and obtaining an insured mortgage under section 221, which the Secretary considers not to be recoverable from the proceeds of a mortgage insured under such section: Provided, That no grant shall be made to an organization established for profit.

"(c) No loan under this section shall exceed 80 per centum of the cost of planning a project and obtaining an insured mortgage under section 221, including, but not limited to, preliminary surveys and analyses of market needs, preliminary site engineering and architectural fees, site options, Federal Housing Administration and Federal National Mortgage Association fees, and construction loan fees and discounts. Loans may be made without interest, or at any market or below market interest rate authorized for a mortgage insured under section 221: Provided, That any

loan made to an organization established for profit shall bear interest at the prevailing market rate authorized for a mortgage insured under such section. The Secretary may, except in the case of a loan to an organization established for profit, waive the repayment of all or any part of a loan made under this section, including interest, which he finds the borrower is unable to recover from the proceeds of a mortgage insured under section 221.

"(d) All funds allocated to the Secretary for the purposes of this section shall be deposited in a fund which shall be known as the Appalachian Housing Fund and shall be used as a revolving fund by the Secretary for carrying out such purposes. General expenses of administration of this section may be charged to the fund. Moneys in the fund not needed for current operation may be invested in bonds or other obligations guaranteed as to principal and interest by the United States.

"(e) Not to exceed $5,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 113. (a) Subsection (a) of section 211 of the Act, entitled "VOCATIONAL EDUCATION FACILITIES", is amended by inserting before the word "needed" in the first sentence, the following: "and for the equipment of such facilities and other school facilities".

(b) Subsection (b) of section 211 of the Act is amended to read as follows:

"(b) Not to exceed $26,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 114. Subsection (b) of section 212 of the Act, entitled "SEWAGE TREATMENT WORKS", is amended to read as follows:

"(b) Not to exceed $6,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 115. (a) Section 701(a) of the Housing Act of 1954 (40 U.S.C. 461(a)) is amended by striking out "and" at the end of clause (8) and all of clause (9) and inserting in lieu thereof the following:

"(9) the Appalachian Regional Commission, for comprehensive planning for the Appalachian region as defined by section 403 of the Appalachian Regional Development Act of 1965; and

"(10) local development districts, certified under section 301 of the Appalachian Regional Development Act of 1965, for comprehensive planning for their entire areas, or for metropolitan planning, urban planning, county planning, or small municipality planning within such areas in the Appalachian region, and for planning for Appalachian regional programs."

(b) The proviso of the first sentence of section 701(b) of the Housing Act of 1954 is amended by inserting after "States" the words "and local development districts".

SEC. 116. Section 214 of the Act is amended to read as follows:

"SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

"SEC. 214. (a) In order to enable the people, States, and local communities of the region, including local development districts, to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the President

is authorized to provide funds to the Federal Cochairman to be used for the sole purpose of increasing the Federal contribution to projects under Federal grant-in-aid programs, as hereafter defined, above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. Funds shall be so provided for Federal grant-in-aid programs for which funds are available under the Acts authorizing such programs and shall be available without regard to any appropriation authorization ceilings in such Acts. Any finding, report, certification, or documentation required to be submitted to the head of the department, agency, or instrumentality of the Federal Government responsible for the administration of any Federal grant-in-aid program shall be accepted by the Federal Cochairman with respect to a supplemental grant for any project under such program.

"(b) The Federal portion of such costs shall not be increased in excess of the percentages established by the Commission, and shall in no event exceed 80 per centum thereof.

"(c) The term 'Federal grant-in-aid programs' as used in this section means those Federal grant-in-aid programs authorized by this Act for the construction or equipment of facilities, and all other Federal grant-in-aid programs authorized on or before December 31, 1967, by Acts other than this Act for the acquisition of land or the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958. The term shall not include (A) the program for the construction of the development highway system authorized by section 201 of this Act or any other program relating to highway or road construction, or (B) any other program for which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act.

"(d) Not to exceed $97,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 117. (a) The first sentence of section 221 of the Act, entitled "MAINTENANCE OF EFFORT", is amended by striking out "exclusive of Federal funds," and inserting in lieu thereof the following: "exclusive of expenditures for participation in the National System of Interstate and Defense Highways, and exclusive of local funds and Federal funds,".

(b) The second sentence of such section is amended by inserting after "Highways" the following: "and expenditures of local funds and Federal funds".

SEC. 118. Section 223 of the Act is amended to read as follows:

"PROGRAM IMPLEMENTATION

"SEC. 223. No program or project authorized under any section of this title shall be implemented until (1) applications and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this Act, and (2) the Commission has approved such program or project and has determined that it

meets the applicable criteria under section 224 and will contribute to the development of the region, which determination shall be controlling."

SEC. 119. (a) Subsection (a) of section 224 of the Act, entitled "PROGRAM DEVELOPMENT CRITERIA", is amended (1) by striking out "In developing recommendations on the" and inserting in lieu thereof: "In considering"; and (2) by striking out "within those recommendations".

(b) Subsection (b) of such section is amended by striking out clause (1) and inserting in lieu thereof the following: "(1) to assist establishments relocating from one area to another;".

SEC. 120. Section 302 of the Act, entitled "GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DEVELOPMENT DISTRICTS AND FOR RESEARCH AND DEMONSTRATION PROJECTS", is amended by (1) striking out subsections (a) through (c); (2) redesignating subsection (d) as subsection (e); and (3) inserting the following new subsections (a) through (d):

"(a) The President is authorized—

"(1) to make grants to the Commission for administrative expenses, including technical services, of local development districts, but (A) the amount of any such grant shall not exceed 75 per centum of such expenses, (B) no grants for administrative expenses shall be made for a local development district for a period in excess of three years beginning on the date the initial grant is made for such development district, and (C) the local development district contributions for administrative expenses may be in cash or in kind, fairly evaluated, including but not limited to space, equipment, and services; and

"(2) to make grants to the Commission for investigation, research, studies, technical assistance, and demonstration projects, and for training programs, but not for construction purposes, which will further the purposes of this Act.

"(b) The Commission is authorized to make a survey and study of acid pollution in the region resulting from mining activities and the effects of such pollution, in full cooperation with the Secretary of the Interior and other appropriate Federal, State, and local departments and agencies, with the objective of developing a comprehensive action program for the appropriate control, reduction, or elimination of such pollution in the region or the effects of such pollution. The Commission shall submit to the President a report, including specific recommendations for such program and for the policies under which it should be conducted, and the President shall submit the report to the Congress, together with his recommendations, not later than March 31, 1969. The study shall, among other matters—

"(1) Identify sources of acid mine pollution in the region and their type, area, ownership, and other characteristics; the relative contribution of each source; and the impact of each source on water quality in the streams affected.

"(2) Identify present and potential water-using and other activities which are affected by acid mine pollution in the region, or originating in the region, and the economic and social costs and effects attributable to such pollution.

"(3) Identify known methods and costs for the control and abatement of acid mine pollution.

"(4) Estimate economic and social benefits, public and private, that are likely to result from reducing to various levels acid mine pollution in the streams of the region and identify the types of beneficiaries and the relative distribution of the benefits to such beneficiaries.

"(5) Consider the appropriate roles of Federal, State, and private interests in programs for the control, reduction, or elimination of acid mine pollution in the region and the relative costs which each should bear, including specifically (A) the extent, if any, to which private interests can bear the cost of such programs within the economics of mining activity, (B) the effectiveness of past action by Federal, State, and local units of government in remedying or controlling the adverse effects of acid mine pollution, (C) relationships which might be established among Federal, State, and local units of government, and with private interests, or implementing and funding such programs, and (D) the need for appropriate Federal and State legislation, including adequate enforcement provisions, for such programs.

"(6) Formulate a program for the appropriate control, reduction, or elimination of acid mine pollution in the region, including the identification of specific objectives and costs, with due consideration to: (A) the developmental effects of the program, (B) the economic benefits of the program in relation to costs, (C) the social effects of the program, (D) the avoidance of unwarranted financial gain to private interests, and (E) the types and sources of aid required to accomplish the program.

"(c)(1) The Commission shall, as required by the President, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the President. The records of the Commission shall be available for audit with respect to such grants by the President and the Comptroller General or their duly authorized representatives.

"(2) Recipients of Federal assistance under the provisions of this section shall, as required by the Commission, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the Commission. Such records shall be available for audit by the President, the Comptroller General, and the Commission or their duly authorized representatives.

"(d) Not to exceed $11,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section. Not to exceed $3,000,000 of such authorization shall be available for the purposes of subsection (b)."

SEC. 121. Section 303 of the Act is amended to read as follows:

"PROJECT APPROVAL

"SEC. 303. An application for a grant or for any other assistance for a program or project under this Act shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under the Act shall be approved for assistance. No project shall be approved by the Commission unless the Commission is satisfied that the project will be properly administered, operated, and maintained."

SEC. 122. Section 401 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 401. In addition to the appropriations authorized in section 105 and in section 201 for the Appalachian development highway system

and local access roads, there is hereby authorized to be appropriated to the President, to be available until expended, not to exceed $170,000,000 for the two-fiscal-year period ending June 30, 1969, to carry out this Act."

SEC. 123. (a) Section 403 of the Act, entitled "DEFINITION OF APPALACHIAN REGION", is amended—

(1) by inserting in the clause relating to the counties in Alabama after "Jefferson," the following: "Lamar," and after "Morgan," the following: "Pickens,";

(2) by inserting after the clause relating to the counties in Maryland the following:

"In Mississippi, the counties of Alcorn, Benton, Chickasaw, Choctaw, Clay, Itawamba, Kemper, Lee, Lowndes, Marshall, Monroe, Noxubee, Oktibbeha, Pontotoc, Prentiss, Tippah, Tishomingo, Union, Webster, and Winston;

"In New York, the counties of Allegany, Broome, Cattaraugus, Chautauqua, Chemung, Chenango, Cortland, Delaware, Otsego, Schoharie, Schuyler, Steuben, Tioga, and Tompkins;"; and

(3) by inserting in the clause relating to the counties in Tennessee after "Campbell" the following: "Cannon,".

(b) Such section is further amended by striking out the colon following "West Virginia" and inserting in lieu thereof a period, and by striking out all of the remainder of such section and inserting in lieu thereof the following:

"No recommendation for any change in the definition of the Appalachian region as set forth in this section shall be proposed or considered by the Commission without a prior resolution by the Committee on Public Works of the Senate or of the House of Representatives, directing a study of such change."

TITLE II—AMENDMENTS TO THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

SEC. 201. Subsection (a) of section 503 of the Public Works and Economic Development Act of 1965 is amended by striking the semicolon after clause (2), inserting a comma, and the following: "including the development of a comprehensive long-range economic plan approved by the Secretary;".

SEC. 202. Subsection (c) of section 505 of the Public Works and Economic Development Act of 1965 is amended by adding at the end thereof the following:

"Not to exceed $2,500,000 of the funds authorized to be appropriated by this subsection for each fiscal year shall be allocated by the Secretary to each regional commission to carry out the purposes of this section."

SEC. 203. Section 509 of the Public Works and Economic Development Act of 1965 is amended by redesignating such section as section 510 and by inserting after section 508 the following new section 509:

"SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

"SEC. 509. (a) In order to enable the States and other entities within economic development regions established under this Act to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the Secretary shall, once

a comprehensive long-range economic plan established pursuant to clause (2) of section 503(a) is in effect, provide funds pursuant to specific recommendations, to each of the Federal Cochairmen of the regional commissions heretofore or hereafter established under this title, to be used for the sole purpose of increasing the Federal contribution to projects under such programs above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. No program or project authorized under this section shall be implemented until (1) applications and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this Act, and (2) the Regional Commission involved has approved such program or project and has determined that it meets the applicable criteria under section 504 and will contribute to the development of the region, which determination shall be controlling. Funds may be provided only for Federal grant-in-aid programs for which funds are available under the Act authorizing such programs. Funds so provided shall be available without regard to any appropriation authorization ceilings in such Act.

"(b) The Federal portion of such costs shall not be increased in excess of the percentages established by each commission, and shall in no event exceed 80 per centum thereof.

"(c) The term 'Federal grant-in-aid programs' as used in this section means all Federal grant-in-aid programs in existence on or before December 31, 1967, assisting in the acquisition of land or the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by title I of this Act and by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; and National Defense Education Act of 1958. The term shall not include any program in which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this section, and shall not be taken into account in the computation of allocations among the States made pursuant to any other provision of law.

"(d) There is hereby authorized to be appropriated to the Secretary for each of the regional commissions for the purposes of this section the sum of $5,000,000 for the period ending June 30, 1968, and the sum of $10,000,000 for the fiscal year ending June 30, 1969.

"(e) An application for a grant under this section shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under this section shall be approved for assistance."

SEC. 204. The Public Works and Economic Development Act of 1965 is amended by adding at the end of title VI thereof the following new section:

"*ADMINISTRATION, OPERATION, AND MAINTENANCE*

"*SEC. 604. No Federal assistance shall be approved under this Act unless the Secretary is satisfied that the project for which Federal assistance is granted will be properly and efficiently administered, operated, and maintained.*"

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same.

GEORGE H. FALLON,
ROBERT E. JONES,
JIM WRIGHT,
ED EDMONDSON,
WILLIAM C. CRAMER,
FRED SCHWENGEL,
JAMES CLEVELAND,
Managers on the Part of the House.

JENNINGS RANDOLPH,
EDMUND S. MUSKIE,
JOSEPH DAVIES TYDINGS,
W. B. SPONG,
JOHN SHERMAN COOPER,
LEN B. JORDAN,
HOWARD H. BAKER, JR.,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 602) to revise and extend the Appalachian Regional Development Act of 1965, and to amend title V of the Public Works and Economic Development Act of 1965, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment to the text of the bill strikes out all of the Senate bill after the enacting clause and inserts a substitute. The Senate recedes from its disagreement to the amendment of the House, with an amendment which is a substitute for both the Senate bill and the House amendment. The differences between the House amendment and the substitute agreed to in conference are noted in the following outline, except for incidental changes made necessary by reason of agreements reached by the conferees and minor and clarifying changes.

TITLE I—AMENDMENTS TO APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

References to "Act" and "section" in the portion of this statement which relates to title I of the bill are references to the Appalachian Regional Development Act of 1965 and to sections of that Act.

Sec. 201. Appalachian Highway Program

The Senate bill amended section 201 of the Act to increase the maximum authorized mileage for the local access roads program from 1,000 to 2,000 miles. The House amendment reduced this to 1,200 miles. The conference substitute authorizes 1,600 miles for access roads.

Sec. 202. Demonstration Health Program

Sections 202(c) and 202(d) of the Act, as they appear in the Senate bill, prescribe certain limitations on grants for operating demonstration health projects, authorize planning grants, and provide for funds to support the Commission's Health Advisory Committee. The House amendment did not contain these subsections. The conference substitute contains these subsections as they appear in the Senate bill but with two modifications: First, operating grants may be made only to facilities which are publicly owned, or owned by a public or private nonprofit organization, and which are not operated for profit. Second, operating grants may not be made unless the Secretary of Health, Education, and Welfare is satisfied that the operation of the project will be conducted under efficient management practices designed to obviate operating deficits.

Sec. 204. Timber Development Organizations

The Senate bill authorized $4 million for a new program of hardwood research, and eliminated the specific authorization of funds in existing law for the timber development organization program.

The House amendment authorized $1 million to continue the timber development organization program, and eliminated the proposed new research program.

The conference substitute adopts the provisions of the Senate bill with three changes: First, the Secretary of Agriculture in making grants or contracts to carry out the research program must provide funds first to colleges, universities and other institutions of higher education (with priority to land grant schools), and thereafter to forest products research institutions in the region and other appropriate public and private organizations. Second, such schools, institutions, and organizations must have the demonstrated capability to perform the research. Third, the authorization is reduced to $2 million.

Sec. 214. Supplements to Federal Grant-in-Aid Programs

(1) Under existing law, supplemental grants may be made only for appropriate grant-in-aid programs enacted prior to March 9, 1965, the date of the Appalachian Regional Development Act of 1965. The Senate bill broadened section 214(a) to permit supplemental grants for grant-in-aid programs enacted subsequent to that date, including programs to be enacted in the future. The House amendment permitted supplemental grants only for grant-in-aid programs enacted on or before August 1, 1967.

The conference substitute permits supplemental grants for grant-in-aid programs enacted on or before December 31, 1967.

(2) The Senate bill authorized $97 million for the two-fiscal-year period ending in 1969 to carry out this section. The House amendment reduced this authorization to $71 million.

The conference substitute is the same as the Senate bill in this regard.

Sec. 302. Research and Local Development District Administrative Expenses

The Senate bill authorized for the two-fiscal-year period ending in 1969 $13 million to carry out section 302. The House amendment reduced this authorization to $10 million.

The conference substitute sets this authorization at $11 million.

TITLE II—AMENDMENTS TO PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

Supplemental Grants Under Title V of the Public Works and Economic Development Act of 1965

(1) The Senate bill amended title V of the Public Works and Economic Development Act of 1965 to require, in the case of regional commissions established under such title, that the Secretary of Commerce shall provide funds for supplemental grants, pursuant to specific recommendations, for each such regional commission, once a long range economic plan for the region has been established.

The House amendment authorized the Secretary to provide supplemental grants, pursuant to specific recommendations of each regional commission, once such an economic plan has been established,

by allocating funds to the heads of Federal departments and agencies for that purpose.

The conference substitute adopts the provisions of the Senate bill with a technical amendment making it clear that the Federal Cochairman of each regional commission will receive the funds provided for his commission.

(2) The Senate bill authorized supplemental grants under title V for appropriate basic grant-in-aid programs now existing or to be enacted in the future. The House amendment limited supplemental grants to grant-in-aid programs enacted as of August 1, 1967. The conference substitute permits supplemental grants for programs enacted as of December 31, 1967.

Project Administration Under Public Works and Economic Development Act of 1965

The House amendment added a new section 604 to title VI of the Public Works and Economic Development Act of 1965 which provided that no assistance shall be approved under that Act unless the responsible Federal official is satisfied that the project will be properly and efficiently administered, operated, and maintained.

The conference substitute is the same as the House amendment except that it requires the Secretary of Commerce to determine the efficiency of the project.

GEORGE H. FALLON,
ROBERT E. JONES,
JIM WRIGHT,
ED EDMONDSON,
WILLIAM C. CRAMER,
FRED SCHWENGEL,
JAMES CLEVELAND,
Managers on the Part of the House.

○

McClory	Pryor	Stanton
McClure	Qule	Steed
McCulloch	Quillen	Steiger, Ariz.
McDade	Railsback	Steiger, Wis.
McMillan	Randall	Stephens
MacGregor	Reld, Ill.	Stubblefield
Mahon	Reifel	Stuckey
Mailliard	Relnecke	Taft
Marsh	Rhodes, Ariz.	Talcott
Martin	Riegle	Taylor
Mathlas, Calif.	Rivers	Teague, Calif.
May	Robison	Thompson, Ga.
Mayne	Rogers, Fla.	Tuck
Meskill	Roth	Ullman
Michel	Roudebush	Vander Jagt
Miller, Ohio	Rumsfeld	Waggonner
Mills	Ruppe	Walker
Montgomery	Sandman	Wampler
Moore	Satterfield	Watkins
Morris, N. Mex.	Schadeberg	Watson
Morse, Mass.	Scherle	Watts
Morton	Schneebeli	Whalen
Natcher	Schwelker	White
Nelsen	Schwengel	Whitener
Nichols	Scott	Whitten
O'Neal, Ga.	Selden	Wiggins
Passman	Shriver	Williams, Pa.
Pelly	Sikes	Wilson, Bob
Pettis	Skubitz	Winn
Pickle	Slack	Wyatt
Pike	Smith, Calif.	Wydler
Pirnie	Smith, N.Y.	Wylie
Poage	Smith, Okla.	Wyman
Poff	Snyder	Zion
Pool	Springer	Zwach
Price, Tex.	Stafford	

NAYS—132

Addabbo	Friedel	Nix
Albert	Gallagher	O'Hara, Ill.
Anderson, Tenn.	Garmatz	O'Hara, Mich.
	Gibbons	Olsen
Annunzio	Gilbert	O'Neill, Mass.
Barrett	Gonzalez	Ottinger
Bingham	Gray	Patman
Blatnik	Green, Pa.	Patten
Boggs	Griffiths	Pepper
Boland	Hamilton	Perkins
Bolling	Hanna	Philbin
Brasco	Hansen, Wash.	Pollock
Brooks	Hathaway	Price, Ill.
Brown, Calif.	Hawkins	Pucinski
Burke, Mass.	Hechler, W. Va.	Rhodes, Pa.
Burton, Calif.	Helstoski	Rodino
Byrne, Pa.	Hicks	Rogers, Colo.
Carey	Holifield	Ronan
Celler	Howard	Rooney, N.Y.
Clark	Irwin	Rooney, Pa.
Cohelan	Joelson	Rosenthal
Conyers	Johnson, Calif.	Rostenkowski
Corman	Karsten	Roush
Culver	Karth	Roybal
Daddario	Kastenmeier	Ryan
Dawson	Kelly	St Germain
Delaney	Kirwan	St. Onge
Dent	Kluczynski	Scheuer
Diggs	Kyros	Shipley
Dingell	Long, Md.	Sisk
Donohue	McCarthy	Smith, Iowa
Dow	McFall	Sullivan
Dulski	Macdonald, Mass.	Tenzer
Eckhardt		Tiernan
Edmondson	Machen	Tunney
Edwards, Calif.	Madden	Udall
Eilberg	Matsunaga	Van Deerlin
Evans, Colo.	Meeds	Vanik
Fallon	Miller, Calif.	Vigorito
Farbstein	Minish	Waldie
Fascell	Mink	Wilson, Charles H.
Flood	Monagan	
Foley	Mosher	Yates
Ford, William D.	Multer	Zablocki
	Murphy, Ill.	
Fraser	Nedzi	

NOT VOTING—59

Adams	Holland	Rarick
Anderson, Ill.	Hosmer	Rees
Andrews, N. Dak.	Jacobs	Reid, N.Y.
	Jones, Ala.	Resnick
Arends	Kazen	Reuss
Ashley	Kee	Roberts
Aspinall	King, Calif.	Saylor
Berry	Landrum	Staggers
Brademas	McDonald, Mich.	Stratton
Brock		Teague, Tex.
Broomfield	McEwen	Thompson, N.J.
Clausen, Don H.	Mathias, Md.	Thomson, Wis.
	Minshall	Utt
de la Garza	Mize	Whalley
Derwinski	Moorhead	Widnall
Erlenborn	Morgan	Williams, Miss.
Feighan	Moss	Willis
Halpern	Murphy, N.Y.	Wolff
Hays	Myers	Wright
Henderson	O'Konski	Young
Herlong	Purcell	

So the amendments were agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Rarick for, with Mr. Adams against.
Mr. Erlenborn for, with Mr. Jacobs against.
Mr. Anderson of Illinois for, with Mr. Wolff against.
Mr. Roberts for, with Mr. Brademas against.
Mr. Andrews of North Dakota for, with Mr. Ashley against.
Mr. Berry for, with Mr. Aspinall against.
Mr. Derwinski for, with Mr. Murphy of New York against.
Mr. Widnall for, with Mr. King of California against.
Mr. Utt for, with Mr. Thompson of New Jersey against.
Mr. Thomson of Wisconsin for, with Mr. Moorhead against.
Mr. Myers of Indiana for, with Mr. Kee against.
Mr. Minshall for, with Mr. Resnick against.
Mr. McEwen for, with Mr. Staggers against.
Mr. McDonald of Michigan for, with Mr. Stratton against.
Mr. Hosmer for, with Mr. Feighan against.
Mr. Brock for, with Mr. Holland against.
Mr. Willis for, with Mr. Morgan against.
Mr. Williams of Mississippi for, with Mr. Moss against.
Mr. Henderson for, with Mr. Rees against.
Mr. Herlong for, with Mr. Reuss against.

Until further notice:

Mr. Hays with Mr. Whalley.
Mr. Landrum with Mr. Arends.
Mr. Kazen with Mr. Halpern.
Mr. Jones of Alabama with Mr. Broomfield.
Mr. Purcell with Mr. Mathias of Maryland.
Mr. Teague of Texas with Mr. Mize.
Mr. Wright with Mr. Reid of New York.
Mr. Young with Mr. Saylor.
Mr. de la Garza with Mr. Don H. Clausen.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1967

Mr. HOWARD filed the following conference report and statement on the bill (S. 602) to revise and extend the Appalachian Regional Development Act of 1965, and to amend title V of the Public Works and Economic Development Act of 1965:

CONFERENCE REPORT (REPT. NO. 706)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 602) to revise and extend the Appalachian Regional Development Act of 1965, and to amend title V of the Public Works and Economic Development Act of 1965, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

TITLE I—APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1967

SEC. 101. This title may be cited as the "Appalachian Regional Development Act Amendments of 1967".

SEC. 102. Section 102 of the Appalachian Regional Development Act of 1965 (hereinafter in this title referred to as "the Act") is amended (1) by inserting "and" at the end of clause (7); (2) by striking out the semicolon and the word "and" at the end of clause (8) and inserting in lieu thereof a period; and (3) by striking out clause (9).

SEC. 103. Section 105 of the Act is amended to read as follows:

"ADMINISTRATIVE EXPENSES OF THE COMMISSION

"SEC. 105. (a) For the period ending on June 30, 1967, the administrative expenses of the Commission shall be paid by the Federal Government. Thereafter, such expenses shall be paid 50 per centum by the Federal Government and 50 per centum by the States in the region, except that the expenses of the Federal Cochairman, his alternate, and his staff shall be paid solely by the Federal Government. The share to be paid by each State shall be determined by the Commission. The Federal Cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

"(b) To carry out this section, there is hereby authorized to be appropriated to the Commission, to be available until expended, not to exceed $1,700,000 for the two-fiscal-year period ending June 30, 1969. Not to exceed $400,000 of such authorization shall be available for the expenses of the Federal Cochairman, his alternate, and his staff. Unexpended balances of appropriations under the authorization in this section prior to amendment by the Appalachian Regional Development Act Amendments of 1967 shall remain available for the purposes of this section, as amended, until expended."

SEC. 104. Clause (7) of section 106 of the Act, entitled "ADMINISTRATIVE POWERS OF THE COMMISSION", is amended to read as follows:

"(7) enter into and perform such contracts, leases (including, notwithstanding any other provision of law, the lease of office space for any term expiring no later than June 30, 1971), cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States (which is hereby so authorized to the extent not otherwise prohibited by law) or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation."

SEC. 105. Title I of the Act is amended by inserting at the end thereof a new section as follows:

"COMMISSION EMPLOYEE PROTECTIONS

"SEC. 109. Section 5334(a) of title 5, United State Code, is amended by adding at the end thereof the following new sentence: 'For the purpose of this subsection, an individual employed by the Appalachian Regional Commission under section 106(a) of the Appalachian Regional Development Act of 1965, or by a regional commission established pursuant to section 502 of the Public Works and Economic Development Act of 1965, under section 506(2) of such Act, who was a Federal employee immediately prior to such employment by a commission and within six months after separation from such employment is employed in a position to which this subchapter applies, shall be treated as if transferred from a position in the executive branch to which this subchapter does not apply.'."

SEC. 106. Section 201 of the Act is amended to read as follows:

"APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

"SEC. 201. (a) In order to provide a highway system which, in conjunction with the Interstate System and other Federal-aid highways in the Appalachian region, will open up an area or areas with a developmental potential where commerce and communication have been inhibited by lack of adequate access, the Secretary of Transportation (hereafter in this section referred to as the 'Secretary') is authorized to assist in the construction of an Appalachian development highway system and local access roads serving the Appalachian region. The provisions of title 23, United States Code, that are applicable to the construction and maintenance of Federal-aid primary and secondary highways, and which the Secretary determines are not inconsistent with this Act, shall apply, respectively, to the development highway system and the local access roads. Construction on the development highway system shall not exceed two thousand seven hundred miles. Construction of local access roads shall not exceed one thousand six hundred miles that will serve specific recreational, residential, educational, commercial, industrial, or other like facilities or will facilitate a school consolidation program.

"(b) The Commission shall transmit to the Secretary its designations of (1) the general corridor location and termini of the development highways, (2) local access roads to be constructed, (3) priorities for the construction of segments of the development highways, and (4) other criteria for the program authorized by this section. Before any State member participates in or votes on such designations, he shall have obtained the recommendations of the State highway department of the State which he represents.

"(c) In no event shall the Secretary assist in any construction (including right-of-way acquisition) which would require for its completion the expenditure of Federal funds (other than funds available under title 23, United States Code) in excess of the appropriations authorization in subsection (g). On its completion each development highway not already on the Federal-aid primary system shall be added to such system and each development highway and local access road shall be required to be maintained by the State as provided for Federal-aid highways in title 23, United States Code.

"(d) In the construction of highways and roads authorized under this section, the States may give special preference to the use of materials and products indigenous to the Appalachian region.

"(e) For the purposes of research and development in the use of coal and coal products in highway construction and maintenance, the Secretary is authorized to require each participating State, to the maximum extent possible, to use coal derivatives in the construction of not to exceed 10 per centum of the roads authorized under this Act.

"(f) Federal assistance to any construction project under this section shall not exceed 50 per centum of the costs of such project, unless the Commission determines that assistance in excess of such percentage is required in furtherance of the purposes of this Act, but in no event shall such Federal assistance exceed 70 per centum of such costs.

"(g) To carry out this section, there is hereby authorized to be appropriated to the President, to be available until expended, $715,000,000 for the four-fiscal-year period ending June 30, 1971.

"(h)(1) When a participating State proceeds to construct a segment of a development highway without the aid of Federal funds, in accordance with all procedures and requirements applicable to the construction of segments of Appalachian development highways with such funds, except insofar as such procedures and requirements limit a State to the construction of projects for which Federal funds have previously been appropriated, the Secretary, upon application by the State and with the approval of the Commission, is authorized to pay to the State the Federal share not to exceed 70 per centum of the costs of the construction of such segment, from any sums appropriated and allocated to such State to carry out this section.

"(2) This subsection shall not be construed as a commitment or obligation on the part of the United States to provide funds for segments of development highways constructed under this subsection, and shall not increase the limitation on construction in subsection (c)."

SEC. 107. Section 202 of the Act is amended to read as follows:

"DEMONSTRATION HEALTH PROJECTS

"SEC. 202. (a) In order to demonstrate the value of adequate health facilities and services to the economic development of the region, the Secretary of Health, Education, and Welfare, is authorized to make grants for the planning, construction, equipment, and operation of multicounty demonstration health projects, including hospitals, regional health diagnostic and treatment centers, and other facilities and services necessary to health. Grants for such construction (including the acquisition of privately owned facilities not operated for profit and initial equipment) shall be made in accordance with the applicable provisions of title VI of the Public Health Service Act (42 U.S.C. 291–291o), the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), and other laws authorizing grants for the construction of health-related facilities, without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

"(b) No grant for the construction or equipment of any component of a demonstration health project shall exceed 80 per centum of such costs. The Federal contribution may be provided entirely from funds authorized under this section or in combination with funds provided under other Federal grant-in-aid programs for the construction or equipment of health-related facilities. Notwithstanding any provision of law limiting the Federal share in such other programs, funds authorized under this section may be used to increase Federal grants for component facilities of a demonstration health project to a maximum of 80 per centum of the costs of such facilities.

"(c) Grants under this section for operation (including initial operating funds and operating deficits comprising among other items the costs of attracting, training, and retaining qualified personnel) of a demonstration health project, whether or not constructed with funds authorized by this section, may be made for up to 100 per centum of the costs thereof for the two-year period beginning, for each component facility or service assisted under any such operating grant, on the first day that such facility or service is in operation as a part of the project. For the next three years of operations such grants shall not exceed 50 per centum of such costs. No grant for operation of a demonstration health project shall be made unless the facility is publicly owned, or owned by a public or private nonprofit organization, and is not operated for profit. No grants for operation of a demonstration health project shall be made after five years following the commencement of the initial grant for operation of the project. No such grants shall be made unless the Secretary of Health, Education, and Welfare is satisfied that the operation of the project will be conducted under efficient management practices designed to obviate operating deficits. Notwithstanding section 104 of the Public Works and Economic Development Act of 1965 (79 Stat. 554), a health-related facility constructed under title I of that Act may be a component of a demonstration health project eligible for operating grant assistance under this section.

"(d) The Secretary of Health, Education, and Welfare is authorized to provide funds to the Commission for the support of its Health Advisory Committee and to make grants for expenses of planning necessary for the development and operation of demonstration health projects for the region. The amount of any such grant shall not exceed 75 per centum of such expenses.

"(e) Not to exceed $50,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 108. Subsection (i) of section 203 of the Act, entitled "Land Stabilization, Conservation, and Erosion Control", is amended to read as follows:

"(i) Not to exceed $19,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 109. Section 204 of the Act is amended by striking out subsection (b) and inserting in lieu thereof the following new subsections (b) and (c):

"(b) The Secretary of Agriculture is authorized to provide technical assistance, make grants, enter into contracts, or otherwise provide funds, first to colleges, universities and other institutions of higher education (with priority to land grant schools), and thereafter to forest products research institutions in the region and other appropriate public and private organizations, which schools, institutions, and organizations have the demonstrated capability to perform such research, for Appalachian hardwood products research, including investigations, studies, and demonstrations, which will further the purposes of this Act. Funds shall be provided only for programs and projects which will contribute significantly to the development of (1) Appalachian hardwood technology, (2) new or improved uses of Appalachian hardwood resources, (3) new or improved processes or methods for producing hardwood products, or (4) new or improved markets for such products. Funds under this section shall be provided solely out of sums specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the allocation or distribution of funds pursuant to any other provision of law.

"(c) Not to exceed $2,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out the purposes of subsection (b) of this section."

SEC. 110. (a) Clause (1) of subsection (a) of section 205 of the Act, entitled "Mining Area Restoration", is amended to read as follows:

"(1) make financial contributions to States in the region to seal and fill voids in abandoned coal mines and abandoned oil and gas wells, and to reclaim and rehabilitate lands affected by the strip and surface mining and processing of coal and other minerals, including lands affected by waste piles, in accordance with provisions of the Act of July 15, 1955 (30 U.S.C. 571 et seq.), to the extent applicable, without regard to section 2(b) thereof (30 U.S.C. 572(b)) or to any provisions therein limiting assistance to anthracite coal formation, or to the Commonwealth of Pennsylvania. Grants under this paragraph shall be made wholly out of funds

specifically appropriated for the purposes of carrying out this Act."

(b) Strike out clause (3) of subsection (a) of section 205 of the Act.

(c) Subsection (b) of section 205 of the Act is amended to read as follows:

"(b) For the fiscal years 1966, 1967, 1968, and 1969, notwithstanding any other provision of law, the Federal share of mining area restoration projects, including reasonable planning and engineering costs, carried out under subsection (a) of this section and conducted on lands other than federally owned lands shall not exceed 75 per centum of the total cost thereof. The non-Federal share of the total cost of any project carried out under subsection (a) of this section may include reasonable land acquisition costs incurred in acquiring land necessary for the purposes of impiementing such project, if such land is acquired after the date of enactment of the Appalachian Regional Development Act Amendments of 1967."

(d) The first sentence of subsection (d) of section 205 of the Act is amended to read as follows: "Not to exceed $30,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 111. Subsection (g) of section 206 of the Act, entitled "WATER RESOURCE SURVEY", is amended to read as follows:

"(g) Not to exceed $2,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 112. Part A of title II of the Act is amended by inserting at the end thereof a new section as follows:

"ASSISTANCE FOR PLANNING AND OTHER PRELIMINARY EXPENSES OF PROPOSED HOUSING PROJECTS UNDER SECTION 221 OF THE NATIONAL HOUSING ACT

"SEC. 207. (a) In order to encourage and facilitate the construction or rehabilitation of housing to meet the needs of low- and moderate-income families and individuals, the Secretary of Housing and Urban Development (hereafter in this section referred to as the 'Secretary') is authorized to make grants and loans from the Appalachian Housing Fund established by this section, under such terms and conditions as he may prescribe, to nonprofit, limited dividend, or cooperative organizations, or to public bodies, for expenses of planning and of obtaining an insured mortgage for a housing construction or rehabilitation project, under section 221 of the National Housing Act (hereafter in this section referred to as 'section 221'), in any area of the Appalachian region determined by the Commission to have significant potential for future growth.

"(b) No grant under this section shall exceed 80 per centum of those administrative expenses, incident to planning a project and obtaining an insured mortgage under section 221, which the Secretary considers not to be recoverable from the proceeds of a mortgage insured under such section: *Provided,* That no grant shall be made to an organization established for profit.

"(c) No loan under this section shall exceed 80 per centum of the cost of planning a project and obtaining an insured mortgage under section 221, including, but not limited to, preliminary surveys and analyses of market needs, preliminary site engineering and architectural fees, site options, Federal Housing Administration and Federal National Mortgage Association fees, and construction loan fees and discounts. Loans may be made without interest, or at any market or below market interest rate authorized for a mortgage insured under section 221: *Provided,* That any loan made to an organization established for profit shall bear interest at the prevalling market rate authorized for a mortgage insured under such section. The Secretary may, except in the case of a loan to an organization established for profit, waive the repayment of all or any part of a loan made under this section, including interest, which he finds the borrower is unable to recover from the proceeds of a mortgage insured under section 221.

"(d) All funds allocated to the Secretary for the purposes of this section shall be deposited in a fund which shall be known as the Appalachian Housing Fund and shall be used as a revolving fund by the Secretary for carrying out such purposes. General expenses of administration of this section may be charged to the fund. Moneys in the fund not needed for current operation may be invested in bonds or other obligations guaranteed as to principal and interest by the United States.

"(e) Not to exceed $5,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 113. (a) Subsection (a) of section 211 of the Act, entitled "VOCATIONAL EDUCATION FACILITIES", is amended by inserting before the word "needed" in the first sentence, the following: "and for the equipment of such facilities and other school facilities".

(b) Subsection (b) of section 211 of the Act is amended to read as follows:

"(b) Not to exceed $26,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 114. Subsection (b) of section 212 of the Act, entitled "SEWAGE TREATMENT WORKS", is amended to read as follows:

"(b) Not to exceed $6,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 115. (a) Section 701(a) of the Housing Act of 1954 (40 U.S.C. 461(a)) is amended by striking out "and" at the end of clause (8) and all of clause (9) and inserting in lieu thereof the following:

"(9) the Appalachian Regional Commission, for comprehensive planning for the Appalachian region as defined by section 403 of the Appalachian Regional Development Act of 1965; and

"(10) local development districts, certified under section 301 of the Appalachian Regional Development Act of 1965, for comprehensive planning for their entire areas, or for metropolitan planning, urban planning, county planning, or small municipality planning within such areas in the Appalachian region, and for planning for Appalachian regional programs."

(b) The proviso of the first sentence of section 701(b) of the Housing Act of 1954 is amended by inserting after "States" the words "and local development districts".

SEC. 116. Section 214 of the Act is amended to read as follows:

"SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

"SEC. 214. (a) In order to enable the people, States, and local communities of the region, inciuding local development districts, to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the President is authorized to provide funds to the Federal Cochairman to be used for the sole purpose of increasing the Federal contribution to projects under Federal grant-in-aid programs, as hereafter defined, above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. Funds shall be so provided for Federal grant-in-aid programs for which funds are available under the Acts authorizing such programs and shall be available without regard to any appropriation authorization ceilings in such Acts. Any finding, report, certification, or documentation required to be submitted to the head of the department, agency, or instrumentality of the Federal Government responsible for the administration of any Federal grant-in-aid program shall be accepted by the Federal Cochairman with respect to a supplemental grant for any project under such program.

"(b) The Federal portion of such costs shall not be increased in excess of the percentages established by the Commission, and shall in no event exceed 80 per centum thereof.

"(c) The term 'Federal grant-in-aid programs' as used in this section means those Federal grant-in-aid programs authorized by this Act for the construction or equipment of facilities, and all other Federal grant-in-aid programs authorized on or before December 31, 1967, by Acts other than this Act for the acquisition of land or the construction or equipment of facilities, inciuding but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958. The term shall not include (A) the program for the construction of the development highway system authorized by section 201 of this Act or any other program relating to highway or road construction, or (B) any other program for which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act.

"(d) Not to exceed $97,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 117. (a) The first sentence of section 221 of the Act, entitled "MAINTENANCE OF EFFORT", is amended by striking out "exclusive of Federal funds," and inserting in lieu thereof the following: "exclusive of expenditures for participation in the National System of Interstate and Defense Highways, and exclusive of local funds and Federal funds,".

(b) The second sentence of such section is amended by inserting after "Highways" the following: "and expenditures of local funds and Federal funds".

SEC. 118. Section 223 of the Act is amended to read as follows:

"PROGRAM IMPLEMENTATION

"SEC. 223. No program or project authorized under any section of this title shall be impiemented until (1) applications and plans relating to the program or project have been determined by the responsibie Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this Act, and (2) the Commission has approved such program or project and has determined that it meets the applicable criteria under section 224 and will contribute to the deveiopment of the region, which determination shall be controlling."

SEC. 119. (a) Subsection (a) of section 224 of the Act, entitled "PROGRAM DEVELOPMENT CRITERIA", is amended (1) by striking out "In developing recommendations on the" and inserting in lieu thereof: "In considering"; and (2) by striking out "within those recommendations".

(b) Subsection (b) of such section is amended by striking out ciause (1) and inserting in lieu thereof the following: "(1) to assist establishments relocating from one area to another;".

SEC. 120. Section 302 of the Act, entitled "GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DEVELOPMENT DISTRICTS AND FOR RESEARCH AND DEMONSTRATION PROJECTS", is amended by (1) striking out subsections (a) through (c); (2) redesignating subsection

(d) as subsection (e); and (3) inserting the following new subsections (a) through (d):

"(a) The President is authorized—

"(1) to make grants to the Commission for administrative expenses, including technical services, of local development districts, but (A) the amount of any such grant shall not exceed 75 per centum of such expenses, (B) no grants for administrative expenses shall be made for a local development district for a period in excess of three years beginning on the date the initial grant is made for such development district, and (C) the local development district contributions for administrative expenses may be in cash or in kind, fairly evaluated, including but not limited to space, equipment, and services; and

"(2) to make grants to the Commission for investigation, research, studies, technical assistance, and demonstration projects, and for training programs, but not for construction purposes, which will further the purposes of this Act.

"(b) The Commission is authorized to make a survey and study of acid pollution in the region resulting from mining activities and the effects of such pollution, in full cooperation with the Secretary of the Interior and other appropriate Federal, State, and local departments and agencies, with the objective of developing a comprehensive action program for the appropriate control, reduction, or elimination of such pollution in the region or the effects of such pollution. The Commission shall submit to the President a report, including specific recommendations for such program and for the policies under which it should be conducted, and the President shall submit the report to the Congress, together with his recommendations, not later than March 31, 1969. The study shall, among other matters—

"(1) Identify sources of acid mine pollution in the region and their type, area, ownership, and other characteristics; the relative contribution of each source; and the impact of each source on water quality in the streams affected.

"(2) Identify present and potential water-using and other activities which are affected by acid mine pollution in the region, or originating in the region, and the economic and social costs and effects attributable to such pollution.

"(3) Identify known methods and costs for the control and abatement of acid mine pollution.

"(4) Estimate economic and social benefits, public and private, that are likely to result from reducing to various levels acid mine pollution in the streams of the region and identify the types of beneficiaries and the relative distribution of the benefits to such beneficiaries.

"(5) Consider the appropriate roles of Federal, State, and private interests in programs for the control, reduction, or elimination of acid mine pollution in the region and the relative costs which each should bear, including specifically (A) the extent, if any, to which private interests can bear the cost of such programs within the economics of mining activity, (B) the effectiveness of past action by Federal, State, and local units of government in remedying or controlling the adverse effects of acid mine pollution, (C) relationships which might be established among Federal, State, and local units of government, and with private interests, or implementing and funding such programs, and (D) the need for appropriate Federal and State legislation, including adequate enforcement provisions, for such programs.

"(6) Formulate a program for the appropriate control, reduction, or elimination of acid mine pollution in the region, including the identification of specific objectives and costs, with due consideration to: (A) the developmental effects of the program, (B) the economic benefits of the program in relation to costs, (C) the social effects of the program, (D) the avoidance of unwarranted financial gain to private interests, and (E) the types and sources of aid required to accomplish the program.

"(c) (1) The Commission shall, as required by the President, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the President. The records of the Commission shall be available for audit with respect to such grants by the President and the Comptroller General or their duly authorized representatives.

"(2) Recipients of Federal assistance under the provisions of this section shall, as required by the Commission, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the Commission. Such records shall be available for audit by the President, the Comptroller General, and the Commission or their duly authorized representatives.

"(d) Not to exceed $11,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section. Not to exceed $3,000,000 of such authorization shall be available for the purposes of subsection (b)."

SEC. 121. Section 303 of the Act is amended to read as follows:

"PROJECT APPROVAL

"SEC. 303. An application for a grant or for any other assistance for a program or project under this Act shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under the Act shall be approved for assistance. No project shall be approved by the Commission unless the Commission is satisfied that the project will be properly administered, operated, and maintained."

SEC. 122. Section 401 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 401. In addition to the appropriations authorized in section 105 and in section 201 for the Appalachian development highway system and local access roads, there is hereby authorized to be appropriated to the President, to be available until expended, not to exceed $170,000,000 for the two-fiscal-year period ending June 30, 1969, to carry out this Act."

SEC. 123. (a) Section 403 of the Act, entitled "DEFINITION OF APPALACHIAN REGION", is amended—

(1) by inserting in the clause relating to the counties in Alabama after "Jefferson," the following: "Lamar," and after "Morgan," the following: "Pickens,";

(2) by inserting after the clause relating to the counties in Maryland the following:

"In Mississippi, the counties of Alcorn, Benton, Chickasaw, Choctaw, Clay, Itawamba, Kemper, Lee, Lowndes, Marshall, Monroe, Noxubee, Oktibbeha, Pontotoc, Prentiss, Tippah, Tishomingo, Union, Webster, and Winston;

"In New York, the counties of Allegany, Broome, Cattaraugus, Chautauqua, Chemung, Chenango, Cortland, Delaware, Otsego, Schoharie, Schuyler, Steuben, Tioga, and Tompkins;"; and

(3) by inserting in the clause relating to the counties in Tennessee after "Campbell" the following: "Cannon,".

(b) Such section is further amended by striking out the colon following "West Virginia" and inserting in lieu thereof a period, and by striking out all of the remainder of such section and inserting in lieu thereof the following:

"No recommendation for any change in the definition of the Appalachian region as set forth in this section shall be proposed or considered by the Commission without a prior resolution by the Committee on Public Works of the Senate or of the House of Representatives, directing a study of such change."

TITLE II—AMENDMENTS TO THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

SEC. 201. Subsection (a) of section 503 of the Public Works and Economic Development Act of 1965 is amended by striking the semicolon after clause (2), inserting a comma, and the following: "including the development of a comprehensive long-range economic plan approved by the Secretary;".

SEC. 202. Subsection (c) of section 505 of the Public Works and Economic Development Act of 1965 is amended by adding at the end thereof the following:

"Not to exceed $2,500,000 of the funds authorized to be appropriated by this subsection for each fiscal year shall be allocated by the Secretary to each regional commission to carry out the purposes of this section."

SEC. 203. Section 509 of the Public Works and Economic Development Act of 1965 is amended by redesignating such section as section 510 and by inserting after section 508 the following new section 509:

"SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

"SEC. 509. (a) In order to enable the States and other entities within economic development regions established under this Act to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the Secretary shall, once a comprehensive long-range economic plan established pursuant to clause (2) of section 503(a) is in effect, provide funds pursuant to specific recommendations, to each of the Federal Cochairmen of the regional commissions heretofore or hereafter established under this title, to be used for the sole purpose of increasing the Federal contribution to projects under such programs above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. No program or project authorized under this section shall be implemented until (1) applications and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this Act, and (2) the Regional Commission involved has approved such program or project and has determined that it meets the applicable criteria under section 504 and will contribute to the development of the region, which determination shall be controlling. Funds may be provided only for Federal grant-in-aid programs for which funds are available under the Act authorizing such programs. Funds so provided shall be available without regard to any appropriation authorization ceilings in such Act.

"(b) The Federal portion of such costs shall not be increased in excess of the percentages established by each commission, and shall in no event exceed 80 per centum thereof.

"(c) The term 'Federal grant-in-aid programs' as used in this section means all Federal grant-in-aid programs in existence on or before December 31, 1967, assisting in the acquisition of land or the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by title I of this Act and by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; and National Defense Education Act of 1958. The term shall not include any

program in which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this section, and shall not be taken into account in the computation of allocations among the States made pursuant to any other provision of law.

"(d) There is hereby authorized to be appropriated to the Secretary for each of the regional commissions for the purposes of this section the sum of $5,000,000 for the period ending June 30, 1968, and the sum of $10,000,000 for the fiscal year ending June 30, 1969.

"(e) An application for a grant under this section shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under this section shall be approved for assistance."

SEC. 204. The Public Works and Economic Development Act of 1965 is amended by adding at the end of title VI thereof the following new section:

"ADMINISTRATION, OPERATION, AND MAINTENANCE

"SEC. 604. No Federal assistance shall be approved under this Act unless the Secretary is satisfied that the project for which Federal assistance is granted will be properly and efficiently administered, operated, and maintained."

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same.

GEORGE H. FALLON,
ROBERT E. JONES,
JIM WRIGHT,
ED EDMONDSON,
WILLIAM C. CRAMER,
FRED SCHWENGEL,
JAMES CLEVELAND,
Managers on the Part of the House.

JENNINGS RANDOLPH,
EDMUND S. MUSKIE,
JOSEPH DAVIES TYDINGS,
W. B. SPONG,
JOHN SHERMAN COOPER,
LEN B. JORDAN,
HOWARD H. BAKER, Jr.,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 602) to revise and extend the Appalachian Regional Development Act of 1965, and to amend title V of the Public Works and Economic Development Act of 1965, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment to the text of the bill strikes out all of the Senate bill after the enacting clause and inserts a substitute. The Senate recedes from its disagreement to the amendment of the House, with an amendment which is a substitute for both the Senate bill and the House amendment. The differences between the House amendment and the substitute agreed to in conference are noted in the following outline, except for incidental changes made necessary by reason of agreements reached by the conferees and minor and clarifying changes.

TITLE I—AMENDMENT TO APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

References to "Act" and "section" in the portion of this statement which relates to title I of the bill are references to the Appalachian Regional Development Act of 1965 and to sections of that Act.

Section 201. Appalachian highway program

The Senate bill amended section 201 of the Act to increase the maximum authorized mileage for the local access roads program from 1,000 to 2,000 miles. The House amendment reduced this to 1,200 miles. The conference substitute authorizes 1,600 miles for access roads.

Section 202. Demonstration health program

Sections 202(c) and 202(d) of the Act, as they appear in the Senate bill, prescribe certain limitations on grants for operating demonstration health projects, authorize planning grants, and provide for funds to support the Commission's Health Advisory Committee. The House amendment did not contain these subsections. The conference substitute contains these subsections as they appear in the Senate bill but with two modifications: First, operating grants may be made only to facilities which are publicly owned, or owned by a public or private nonprofit organization, which are not operated for profit. Second, operating grants may not be made unless the Secretary of Health, Education, and Welfare is satisfied that the operation of the project will be conducted under efficient management practices designed to obviate operating deficits.

Section 204. Timber development organizations

The Senate bill authorized $4 million for a new program of hardwood research, and eliminated the specific authorization of funds in existing law for the timber development organization program.

The House amendment authorized $1 million to continue the timber development organization program, and eliminated the proposed new research program.

The conference substitute adopts the provisions of the Senate bill with three changes: First, the Secretary of Agriculture in making grants or contracts to carry out the research program must provide funds first to colleges, universities and other institutions of higher education (with priority to land grant schools), and thereafter to forest products research institutions in the region and other appropriate public and private organizations. Second, such schools, institutions, and organizations must have the demonstrated capability to perform the research. Third, the authorization is reduced to $2 million.

Section 214. Supplements to Federal grant-in-aid programs

(1) Under existing law, supplemental grants may be made only for appropriate grant-in-aid programs enacted prior to March 9, 1965, the date of the Appalachian Regional Development Act of 1965. The Senate bill broadened section 214(a) to permit supplemental grants for grant-in-aid programs enacted subsequent to that date, including programs to be enacted in the future. The House amendment permitted supplemental grants only for grant-in-aid programs enacted on or before August 1, 1967.

The conference substitute permits supplemental grants for grant-in-aid programs enacted on or before December 31, 1967.

(2) The Senate bill authorized $97 million for the two-fiscal-year period ending in 1969 to carry out this section. The House amendment reduced this authorization to $71 million.

The conference substitute is the same as the Senate bill in this regard.

Section 302. Research and local development district administrative expenses

The Senate bill authorized for the two-fiscal-year period ending in 1969 $13 million to carry out section 302. The House amendment reduced this authorization to $10 million.

The conference substitute sets this authorization at $11 million.

TITLE II—AMENDMENTS TO PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

Supplemental grants under title V of the Public Works and Economic Development Act of 1965

(1) The Senate bill amended title V of the Public Works and Economic Development Act of 1965 to require, in the case of regional commissions established under such title, that the Secretary of Commerce shall provide funds for supplemental grants, pursuant to specific recommendations, for each such regional commission, once a long range economic plan for the region has been established.

The House amendment authorized the Secretary to provide supplemental grants, pursuant to specific recommendations of each regional commission, once such an economic plan has been established, by allocating funds to the heads of Federal departments and agencies for that purpose.

The conference substitute adopts the provisions of the Senate bill with a technical amendment making it clear that the Federal Cochairman of each regional commission will receive the funds provided for his commission.

(2) The Senate bill authorized supplemental grants under title V for appropriate basic grant-in-aid programs now existing or to be enacted in the future. The House amendment limited supplemental grants to grant-in-aid programs enacted as of August 1, 1967. The conference substitute permits supplemental grants for programs enacted as of December 31, 1967.

Project administration under Public Works and Economic Development Act of 1965

The House amendment added a new section 604 to title VI of the Public Works and Economic Development Act of 1965 which provided that no assistance shall be approved under that Act unless the responsible Federal official is satisfied that the project will be properly and efficiently administered, operated, and maintained.

The conference substitute is the same as the House amendment except that it requires the Secretary of Commerce to determine the efficiency of the project.

GEORGE H. FALLON,
ROBERT E. JONES,
JIM WRIGHT,
ED EDMONDSON,
WILLIAM C. CRAMER,
FRED SCHWENGEL,
JAMES CLEVELAND,
Managers on the Part of the House.

AMERICA IN THE WORLD CITY

(Mr. ADAIR asked and was given permission to extend his remarks at this point in the RECORD and to include a speech by former Vice President Richard M. Nixon.)

Mr. ADAIR. Mr. Speaker, former Vice President Richard M. Nixon recently spoke before the National Convocation on World Hunger, conducted by the National Industrial Conference Board on September 11, 12, and 13, in New York City. Because his address is so thoughtful and timely, I am pleased to include it herewith:

AMERICA IN THE WORLD CITY

(An address by Richard M. Nixon, before the National Convocation on "World Hunger" conducted by the National Industrial Conference Board, September 11, 12, 13, 1967)

We meet here tonight at a time of turning—at the start of the final third of the 20th Century—a period in which the emerging patterns of growth and change may well set the course of civilization for ages to come.

Anyone who travels extensively abroad comes back with one indelible impression: Whether peace and freedom survive during

this period will depend upon the leadership of the United States. Let us take an inventory tonight of America's strengths and weaknesses as it attempts to meet this challenge.

Never has a nation had greater assets for leadership than those of the United States today. Our military power is awesome, our economic superiority unquestioned. Wherever we go, whether in Asia, Europe, Africa or Latin America, we find signs of the American presence and evidence of American influence. We have military bases around the world, fleets in every ocean; in every country there are sales offices and subsidiaries of American companies, and the movie house down the street is likely to be playing Hollywood's latest.

And yet, increasingly, we find signs of a paradox of American power: never has a nation possessed such power as the United States now commands, and never has a nation sought to use its power to nobler purpose—but seldom has a nation been so mistrusted in its purposes or so frustrated in its efforts.

The gap is widening between what our spokesmen say and what others believe.

The deficit in our balance of payments is matched by a mounting deficit in our balance of influence. Ideas should be our greatest export—and yet in the market-place of ideas, people of other nations are simply not buying American.

In our posture abroad, in our approach to the conduct of foreign relations, in our structure of alliances, in the terms in which we try to sell our ideas and our policies, America is succumbing to a creeping obsolescence.

Our example has lost its fire. Our leadership has lost its drive. Increasingly, we are seen as an old nation in a new world.

We are neither understood abroad, nor trusted. If we are to regain our lost leadership, there are three things we must do.

We must see the world as it is, not as it was or as we might wish it were.

We must face the facts with a new realism.

We must speak with a new candor.

Let us take a look at what these three things mean.

First, the world as it is.

The most striking impression from months of travel is that we live in a new world. Never in human history have so many changes taken place in the space of one generation. Never has the pace of change been accelerating so rapidly.

It is a world of new nations—it is a world of new people. Half the world's nations have been born since World War II—and half the people now living have been born since World War II. And to a remarkable extent this new generation has, as one Asian Prime Minister put it, "neither the old guilts nor the old fears" of the generation seared by war.

It is a world of new ideas. The old isms—communism, socialism, anti-colonialism—that summoned men to revolution after World War II, have lost their magic.

Communism is losing the ideological battle with freedom in Asia, Africa and Latin America as well as in Europe. In Africa, native tribalism and rebellious individualism are simply incompatible with the rigid discipline a communist system imposes.

In Latin America, even while guerrilla activity is increasing, the utter failure of Communism in Cuba has drastically weakened the appeal of Communist ideology in the rest of the hemisphere.

In Asia, the remarkable success of private enterprise oriented economies in Japan, Korea, Taiwan, Malaysia and Thailand, as contrasted to the failure of Communism in China and the failure of socialism in Burma and Indonesia, makes it possible to state unequivocally that the only way for the Communists to win in Vietnam, or anywhere else in Asia, is by force and terror; they will never win by persuasion.

All over the world, whether from East Germany to West, from Communist China to free China, from Communist Cuba to the free American republics, the traffic is all one way—from Communism to freedom.

But while the new generation is no longer prisoner of the old isms, neither is it bowled over by American power or mesmerized by the American example. The young see the face of want and the face of hunger and the face of opportunity and, above all, they want change—change which will bring progress in solving these problems. Too often America appears to be the champion of the status quo rather than what we are—the boldest architects of change and progress civilization has ever known.

If they are to be won to our concept of what the world should be, they have got to be won by arguments they can understand, in terms they can believe, and for reasons that suit their own interests.

Here in the United States, we have to recognize the fact of a growing isolationism. To get a better understanding of its roots, let us look back over the years since World War II—a span that now embraces a whole generation.

These years have been a time of painful disillusion.

In 1945 America was weary with war but alive with hope. There was a feeling abroad in the land that finally, out of the terrible catharsis of the most costly war in history, and faced with the frightening dawn of the atomic age, mankind was finally ready to forge a peace that would make the world safe for idealism.

Yet in the years since, we have seen the raising of successive waves of extravagant hope, only to be dashed on the hard rocks of reality.

There was the UN. It was born in a glow of euphoria. The UN lasted, but the euphoria didn't.

There was the Soviet Union. Many expected that out of U.S.-Soviet cooperation in war would come cooperation in peace. We got an Iron Curtain, a cold war and nuclear blackmail.

There was Mao Tse-tung. Many thought his "agrarian reform" would bring the dawn of a new freedom in Asia. China got a new despotism. Asia got a new imperialism.

There was the wave of decolonization. Many thought that with the bonds of empire loosened, the people of the new nations would spring to a new prosperity and be inspired by a new morality. We got the crisis of want and hunger, and we got Sukarno and Nasser and Nkrumah and the Congo and Suez and Kashmir.

And there were other disappointments. There was the Spirit of Geneva, and the Spirit of Camp David, and lately, for a flickering moment, the Spirit of Holly Bush. There was Castro, "liberating" Cuba from Batista's dictatorship. There was the Alliance for Progress, born in a great fanfare of words and a chorus of good intentions.

Somehow, underlying all this, there was an only vaguely articulated sense that the world had entered a new era, one in which international relations would be governed by a high code of moral precept rather than by the old rules of national self-interest.

But what has happened? What has happened, basically, is that people have been acting like people and nations have been acting like nations.

The United States has tried. We have tried to do what we thought was right. We have tried to exercise responsibly the role of leadership that our power inevitably thrusts upon us. We have tried to preserve the peace. We have tried to maintain conditions of freedom and justice in the world.

We have tried to help the poor onto their feet. We have tried to dampen the flames of war in those scattered corners where they have flared. We have tried to make the UN a forum for reason and a force for stability.

But the new morality we thought we discerned in the world was in large measure an extension of our own hopes. We thought that by wishing hard enough we could make our wish reality. We couldn't.

The result has been frustration, often angry and bitter and spiteful frustration.

Thus frustrated, it's a natural tendency of many to turn inward—to say that if the world is no better than it is, it hardly deserves our efforts or our sacrifices.

But if we yield to this temptation, we will have answered "no" to the great question that confronts us on this, the threshhold of the final Third of the 20th Century: whether America has the staying power, whether it has the will, the vision, the sense of its own destiny and of the place this generation of Americans is called on to play in history, to meet the challenge of leadership in a world that has no other place we can safely let it look for that leadership.

If our leadership is to be effective, we have to be believed.

And in Europe, in Africa, in Latin America, in many parts of Asia, we simply are not believed.

Nor will we be believed as long as we engage in sanctimonious sermonizing that irritates our friends, bores our enemies and leaves the cynical unconvinced.

Take Vietnam.

It's not enough to moralize about our being there to defend democracy or guarantee freedom of choice, or to fall back on frail legalisms about the SEATO treaty or the meaning of the Tonkin Resolution.

The plain fact of the matter is that we are fighting in Vietnam for the same reason we fought in World War I and World War II and Korea: because our vital national interest is at stake.

Or take foreign aid.

In the 20 years since the Marshall Plan was launched the United States has spent nearly $117 billion on its aid programs overseas.

Why have we given this aid?

Because we are humanitarians, we like to say.

Well, we are. But this isn't *enough* of a reason. And the world doesn't believe it.

Our aid programs are distrusted abroad for the same reason they're in trouble at home: because we have not frankly stressed the simple fact that by helping others we help ourselves.

If Americans are going to be taxed in order that the peasants of India can eat or the lands of the Middle East be irrigated or fertilizer plants built in Africa, the American has got to be told why this is in America's interest.

If people abroad are going to believe us when we say that our development aid is not the opening wedge of a new imperialism, they have got to be shown why their prosperity is in America's own interest.

And why is it in our interest?

Indeed, a lot of Americans are asking the same question—demanding bluntly to know why we should be spending money on poverty abroad when our own cities are exploding with poverty at home.

One answer is, of course, that it's simply good business. Poor countries are poor markets for American exports, and rich countries are good market. World trade is a little bit like a poker game: everybody has to have some chips in order to play.

But there is a larger and more urgent answer.

Marshall McLuhan says modern communications have turned the world into a "global village." I would go beyond that. The world is becoming one great city—with all the strains and all the tensions and all the explosive potential that implies. Distances are shrinking, time-spans are shortening, civilizations centuries apart in development are suddenly side-by-side—and in full view of one another. And as the rich and the poor

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HIGHLIGHTS: House committee again reported continuing appropriations measure, and several members discussed situation. Senate debated poverty bill. House agreed to conference report on Appalachia bill. House committee reported pay bill. Sen. Nelson introduced and discussed dairy marketing bill.

HOUSE

1. APPALACHIA. Agreed to the conference report on S. 602, to continue and amend the Appalachia program. pp. H12637-9

2. APPROPRIATIONS. The Appropriations Committee reported H. J. Res. 853, making continuing appropriations until Oct. 10 (H. Rept. 724) (p. H12743). Rep. Mahon asked consent for consideration of the measure, but Rep. Bow objected, saying it is the same language as recommitted previously, but suggesting that the Rules Committee be asked to clear a rule under which his amendment could be in order.

Reps. Mahon, Albert, Gerald R. Ford, and Ottinger discussed the matter. pp. H12634-7, H12711

3. PAY; POSTAL RATES. The Post Office and Civil Service Committee reported with amendment H. R. 7977, the Federal pay and postal rates bill (H. Rept. 722). p. H12743

4. FOREIGN TRADE. Passed, 340-29, without amendment H. R. 478, to amend the Fair Labor Standards Act to establish procedures to relieve domestic industries and workers injured by increased imports from low-wage areas. pp. H12631-4, H12639-71

Rep. Berry inserted Rep. Langen's speech deploring mink imports and criticizing this Department for not recommending emergency loans to mink producers. pp. H12684-6

Rep. Nelsen inserted an article deploring the mink import situation. pp. H12698-9

Rep. Curtis said Japan and other countries might restrict importation of our agricultural commodities in retaliation to a U. S. restriction on textile imports. p. H12686

Rep. Curtis inserted a bank's analysis of the Kennedy Round tariff negotiations. pp. H12687-9

5. PERSONNEL. Agreed to the conference report on S. 1320, to provide for acquisition of career status by certain temporary employees who have been working in permanent jobs but have been denied career status through no fault of their own. p. H12637

6. FOREIGN AID. Reps. Friedel and Cohelan recommended the President's development program for Southeast Asia. pp. H12672-3, H12714

Received the report of the National Advisory Council on International Monetary and Financial Policies on the Asian Development Bank (H. Doc. 166). p. H12743

7. TRUTH IN LENDING. Rep. Sullivan recommended a strong truth-in-lending bill and said the President asked her to fight for it. p. H12672

8. POVERTY. Rep. Friedel inserted statements supporting the Job Corps. pp. H12674-5

Rep. Mink inserted statements on visits to Job Corps camps by members of Congress. pp. H12709-11

Rep. Gonzalez said poverty-program employees helped recent flood victims. p. H12716

9. CENSUS. Rep. Betts discussed problems in planning for the 1970 census. pp. H12677-81

10. TOBACCO. Rep. Talcott spoke in favor of additional legislation to discourage smoking. p. H12702

11. SCIENCE WEEK. Rep. O'Neal, Ga., inserted Secretary Freeman's speech in connection with Agricultural Science Week. pp. H12724-6

12. AIR POLLUTION. Rep. Murphy, N. Y., recommended legislation to control air pollution. pp. H12736-7

May I repeat, I have no apologies to offer to anyone for my vote to recommit the continuing appropriation bill on yesterday.

May I thank the distinguished gentleman again for yielding so that I could indicate that I think for myself. If the time should ever come that the people downtown have to do my thinking, then I will get out of the Congress.

Mr. BOW. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Ohio.

Mr. BOW. Mr. Speaker, the gentleman from Mississippi, the chairman of the Rules Committee, has said it was the usual practice for the chairman of a committee and the ranking minority member to request a hearing. The chairman of the committee did not give me an opportunity to join with him, but at this time I should like to say I request a hearing from the Rules Committee today, so that we may proceed.

PROCEDURE RELATING TO CONTINUING APPROPRIATIONS, 1968

(Mr. MAHON asked and was given permission to address the House for 1 minute.)

Mr. MAHON. Mr. Speaker, in view of the situation confronting the House and the extreme gravity that would be involved if we were to surrender to the President the power of the purse by mandating him to reduce or rescind appropriations in the amount of $5 billion, thus relinquishing all control over such action by the House of Representatives, I shall ask the Committee on Rules to give the Committee on Appropriations an opportunity to appear on Monday next, at a suitable time, and request a rule so that the continuing resolution can be brought before the House next Tuesday. I think this would be fair to all Members concerned in view of the facts involved.

Mr. GERALD R. FORD. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I will be glad to yield to the minority leader.

Mr. GERALD R. FORD. This is the time schedule that he, as chairman of the Committee on Appropriations, is recommending to the House as a whole?

Mr. MAHON. I am taking full responsibility for the course of action, having been forced to do so because of my inability to get unanimous consent.

ACQUISITION OF CAREER STATUS BY TEMPORARY GOVERNMENT EMPLOYEES—CONFERENCE REPORT

Mr. HENDERSON. Mr. Speaker, I call up the conference report on the bill (S. 1320) to provide for the acquisition of career status by certain temporary employees of the Federal Government, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of September 27, 1967.)

Mr. HENDERSON (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement of the managers be dispensed with.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. HENDERSON. Mr. Speaker, the need for this legislation was developed through an investigation made by the Manpower and Civil Service Subcommittee of our Post Office and Civil Service Committee, with the cooperation of the Civil Service Commission. The investigation disclosed that some 19,000 Federal employees have been working in permanent Government positions but have been denied career status through no fault of their own.

S. 1320, with Post Office and Civil Service Committee amendments, passed the House July 11, 1967, by voice vote.

The committee of conference on the disagreeing votes of the two Houses worked out a compromise of the comparatively minor differences and the conference agreement represents legislation that will carry out the intention of the House to correct the situation disclosed by our subcommittee investigation.

The Senate version excluded "overseas limited appointments" from coverage of the bill—a provision not in the House version—and the conferees agreed on this exclusion, which is reasonable and consistent with the overall purposes of the legislation.

The conferees agreed on the House provision to grant properly qualified employees career status after 3 years of satisfactory service, in lieu of the Senate's requirement for 4 years of service plus certification that the individual's work is "equivalent" to work of employees appointed through the regular competitive procedure.

Both Senate and House versions required the employees to take "suitable noncompetitive examinations" to qualify for career status, but the House further defined this as an unassembled noncompetitive examination. The conferees agreed to remove the "unassembled" definition, in order that the noncompetitive examinations which are given may be properly adapted to suit all of the individual positions concerned.

With respect to the postal employees who otherwise qualify, the Senate bill made appropriate provision by amendment to title 39, United States Code, commonly referred to as the postal code, whereas the House bill coupled both postal and other employees together to accomplish the same objective in title 5, United States Code. The conference agreement makes the appropriate changes in title 39 for postal employees.

It is to be noted that the conference agreement maintains in effect the historic ratio of regular postal employees to substitute postal employees at 5 to 1.

Since one result of this legislation will be that employees holding temporary appointments in permanent positions who do not qualify for conversion to career appointments will be separated, the conference agreement adopts the Senate provision for a 240-day grace period before any such nonqualifying employee is automatically separated.

Both the House and the Senate bill proposed revisions of existing law pertaining to the making of initial appointments within and outside the competitive civil service on other than a permanent basis. The existing law is contained in the first sentence of section 1310(a) of the Supplemental Appropriation Act, 1952—annotated to section 3101 of title 5, United States Code. That sentence places a statutory ceiling on the number of permanent employees in the competitive civil service, now set at 110 percent of the total number of permanent employees on September 1, 1950, excluding the Postal Field Service.

The Senate bill, in addition to the language of the House bill which eliminates the obsolete 110-percent ceiling, explicitly states that the purpose of that ceiling was "to limit the number of permanent employees to that required for the efficiency of the Federal civil service." The conference agreement adopts these additional Senate provisions, which are deemed to be desirable explanatory material with respect to the identical purposes and effects of both the House and the Senate revisions of the existing law.

Mr. Speaker, the conference agreement represents an excellent and long-needed measure. It is in the best interests of the Government, in accord with long-standing congressional policy that permanent career positions in the Government should be filled by qualified career appointees, and fair to the employees who have earned and deserve career appointments in recognition of their substantial terms of Government service.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. HENDERSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1967—CONFERENCE REPORT

Mr. FALLON. Mr. Speaker, I call up the conference report on the bill (S. 602) to revise and extend the Appalachian Regional Development Act of 1965, and to amend title V of the Public Works and Economic Development Act of 1965, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of September 26, 1967.)

Mr. FALLON (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement of the managers on the part of the House be dispensed with.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. FALLON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the conferees on this bill met for 2 days and the differences have been resolved in what I think is a fair, modest, reasonable bill.

I should point out at the outset that the mood of the House to cut spending has been preserved by the conferees. The overall authorization as provided by the Senate in this bill—section 401—was cut in the House committee by $53 million and on the House floor by an additional $50 million. The Senate receded to agree with the House cuts which provide an overall authorization for this program for the next 2 years of $170 million.

Within the $170 million total authorization ceiling, funds for the supplemental grant-in-aid section were restored to the Senate figure of $97 million. The Senate wanted this figure restored because the supplemental assistance programs under this section have been one of the most effective weapons in the attack on Appalachian problems. There is evidence that the full amount can be utilized, and the conferees agreed to the restoration.

Section 202, subsections (c) and (d) of the demonstration health program section as they appear in the Senate bill, which prescribe certain limitations on grants for operating demonstration health projects, authorize planning grants and provide funds to support the Appalachian Commission's Health Advisory Committee, which were not contained in the House amendment, were adopted by the House conferees. The conference substitute contains these subsections with two modifications:

First. Operating grants may be made only to facilities which are specifically owned or operated by a public or private nonprofit organization and which are not operated for profit.

Second. Operating grants may not be made unless the Secretary of Health, Education, and Welfare is satisfied that the operation of the project will be conducted under efficient management practices designed to obviate operating deficits.

The remaining changes are relatively minor.

The Senate language was restored in section 204 which provides a program for research on Appalachia hardwood products. An authorization of $2 million for this section was agreed to. Priority must be given to grants to colleges, universities, and other institutions of higher education with demonstrated capability in the field.

The access road mileage under section 201 in the Senate bill provided a maximum mileage of 2,000 miles. The House cut this figure to 1,200 miles. The conferees agreed to the maximum mileage limit of 1,600 miles.

The authorization for administrative expenses of local development districts and for research under section 302 was compromised at $11 million.

Title II of the bill which deals with the other regional commissions authorized under title V of the Public Works and Economic Development Act of 1965 was agreed on in essentially the same form approved by the House.

Senate language was inserted simply for clarification. There was no substantive change in the authorization of funds for the regional commissions.

With these few exceptions, the House bill was accepted. Virtually all House committee amendments were accepted and the key $50 million cut voted by the full House stands in the conference report.

I urge the adoption of the conference report on S. 602.

Now, Mr. Speaker, I yield to the distinguished gentleman from Florida [Mr. CRAMER] such time as he may consume.

(Mr. CRAMER asked and was given permission to revise and extend his remarks.)

Mr. CRAMER. Mr. Speaker, the conferees did maintain the $50 million reduction in authorizations for nonhighway programs in accordance with the decisive action which was taken on the floor of the House on September 14, as explained in the conference report, some $220 million, as contained in the committee-reported bill, which bill itself had been cut to the extent over $50 million from the Senate-passed amount by the House subcommittee, being subsequently reduced by the floor vote to $170 million. Thus, the $50 million cut in authorization for nonhighway Appalachian programs was retained in conference.

Mr. Speaker, the other amendment that was adopted on the floor of the House was the Waggonner amendment relating to the operation of demonstration health facilities which amendment, in effect, struck out subsection (c) of section 202 of the bill. This is explained on page 14 of the report.

Mr. Speaker, the bill now before us and the conference report speaks for themselves.

Mr. Speaker, the conferees were able to retain certain language that limits expenditures. I refer also to page 14 of the report which relates to matching grants being made only to facilities which are publicly owned and are operated by a public or private nonprofit organization, an organization not operated for a profit; and this also applies only when they are operated under efficient management procedures.

In conclusion, Mr. Speaker, the managers on the part of the House maintained practically all of its positions and the actions which were adopted by the House during its consideration of this matter in the Committee of the Whole to the Senate bill, as compared with that of the other body.

Mr. Speaker, it is my opinion that all in all the conferees did a very fine job on this bill.

Mr. Speaker, there were some sums which were increased in certain programs. However, they were all limited by this ceiling figure of $170 million.

Mr. Speaker, the increases in a specific program such as loan grants, the conferees felt that greater emphasis should be placed upon that particular program, as compared, for instance, to the other programs under the amendment of the House.

Mr. Speaker, I thank the distinguished gentleman from Maryland [Mr. FALLON] for yielding.

Mr. FALLON. Mr. Speaker, I thank the gentleman from Florida for his contribution.

Mr. DORN. Mr. Speaker, will the gentleman yield?

Mr. FALLON. Of course I am delighted to yield to my distinguished friend, the gentleman from South Carolina [Mr. DORN].

(Mr. DORN asked and was given permission to revise and extend his remarks.)

Mr. DORN. Mr. Speaker, I wish to commend my distinguished colleague, the gentleman from Maryland [Mr. FALLON] for his untiring efforts and great leadership in behalf of this legislation, as well as the other members of the Committee on Public Works for bringing this conference report to the floor of the House for consideration of the membership today. I wholeheartedly support this legislation and hope and urge that this conference report be unanimously adopted today.

Mr. Speaker, it has been my great honor and privilege to serve as a member of the Ad Hoc Subcommittee on Appalachia of the Public Works Committee, chaired by the distinguished gentleman from Alabama, the Honorable ROBERT E. JONES. I want to especially commend the gentleman from Alabama for his untiring efforts and for his great leadership in the committee and here in this House in behalf of this important legislation. Mr. JONES is keenly aware of the needs of Appalachia and it is largely through his leadership that this program has become truly a model in Federal-State programs.

Mr. Speaker, the textile industry is the largest single employer of persons in Appalachia. The manmade-fiber industry is a most important part of that industry employing many thousands of persons in Appalachia. I placed in the committee report supplemental views detailing the importance of this great industry to this region of our country. Those supplemental views follow:

ADDITIONAL VIEWS OF HON. WILLIAM JENNINGS BRYAN DORN

I wholeheartedly support S. 602 as reported by the Committee on Public Works. The Appalachian program conceived in 1965 over the last 2 years has proved to be a needed and necessary one for the region and one which will, I believe over the next few years, enhance greatly the entire economic development of the region. I would commend particularly those who administer the program including the former Federal Cochairman John L. Sweeney, the present Federal Cochairman Joe W. Fleming and his alternate, Fred B. Burke.

One of the most important industries in the entire Appalachian region and one whose growth I have consistently supported and encouraged is the textile industry. During the hearings before the committee testimony was presented which underlines a problem which threatens to affect adversely the maintenance and expansion of manufacturing employment in the Appalachian region. On behalf of the textile industries, testimony and data were presented indicating that to an impressive degree manufacturing employment in Appalachia is concentrated in the man-made fiber producing industry and the textile and apparel industries utilizing cotton, wool, and man-made fibers. A large and rapidly rising volume of imports of man-made staple fiber, filaments, and filament yarn and textile and apparel articles of cotton, wool, and man-made fiber are threatening to impair the maintenance of employment in these industries. The textile industry spokesman called attention to the following facts:

(1) The total number of jobs in the textile industry, as defined above, in the Appalachian region is about 453,000.

(2) In a significant number of counties in Pennsylvania, Kentucky, Virginia, Tennessee, North Carolina, South Carolina, Georgia, and Alabama, 75 percent or more of all manufacturing jobs are directly in this textile industry. In an even greater number of counties in these States and in West Virginia, from 50 to 75 percent of all manufacturing jobs are directly in the textile industry. In the remaining counties of the Appalachian region, the textile industry provides not less than from 12 to 50 percent of all manufacturing jobs.

(3) In the Nation as a whole, the textile industry accounts for 13 percent of all manufacturing jobs, but in the Appalachian region this industry supplies 26 percent of all manufacturing jobs. If the counties in New York, Pennsylvania, and Ohio are excluded, the textile industry supplies 41 percent of all manufacturing jobs in the Appalachian region.

(4) Within the Appalachian region and the area within 50 miles beyond its borders, the textile industry accounts for a total of 1,022,000 manufacturing jobs. This is nearly one-half of the employment in the textile industry in the Nation, and 24 percent of total manufacturing employment in that enlarged area.

(5) While the Federal Government and the governments of the States included in the Appalachian region are cooperating through the programs developed by the Commission in an increase in the pace of economic activity within the region, including the creation of additional jobs in the manufacturing sector, imports of man-made fibers and textile products of cotton, wool, and man-made fibers, including apparel, are increasing at an alarming rate. Between the year ended June 30, 1961, and the calendar year 1966, imports of cotton textiles increased by 72 percent, wool textiles by 34 percent, and man-made fiber textiles by 146 percent.

While imports of cotton textiles are subject to regulation for the next 3 years under the terms of the extended long-term cotton textile arrangement, there is no system of providing for quantitative limitation on imports of man-made fibers, and textile products including apparel of man-made fiber and of wool. The textile industry warned the committee that the impact of these mounting imports of man-made fibers and textile and apparel products of all fibers in the U.S. market will be heavily centered on employment in the Appalachian region as a result of the concentration of the industry's employment in the region. Failure on the part of the U.S. Government to achieve some reasonable control over these textile imports could neutralize the benefits for the Appalachian region and employment within the region which the Federal programs authorized by the proposed amendments to the Appalachian Regional Development Act of 1965 are intended to secure.

I realize that the Committee on Public Works does not have jurisdiction over the regulation of foreign trade, and is therefore powerless to initiate remedial action on this textile import problem. I therefore take this opportunity to present this information to the chairman and members of the Committee on Ways and Means with a request that that committee give the matter the earliest practicable consideration.

WILLIAM JENNINGS BRYAN DORN.

Mr. EDMONDSON. Mr. Speaker, approval of this conference report represents a great and historic milestone in the Ozarka Region of Oklahoma, Arkansas, Missouri, and Kansas.

The $20,000,000 authorized for this fiscal year and next year will break the ground, with administrative funds and supplement grants-in-aid, for major new programs in vocational education, conservation, and development in our region of the country.

Of this sum, $5,000,000 is authorized for administration, technical assistance and research by the Ozarka Regional Commission, under the able leadership of Federal Cochairman William McCandless.

The balance of the sum, if we are successful in securing appropriations, will be the grant-in-aid supplements for projects of regional significance in the area, contributing directly to economic development of the area.

Next to the Arkansas River development program, this is the brightest star in the sky today to lead our way to economic development in eastern Oklahoma. I deeply appreciate the support which this program has received from my colleagues from the House Committee on Public Works. I am also extremely grateful for the leadership which has been demonstrated in the other body by U.S. Senator FRED R. HARRIS, who has been an outstanding spokesman for regional development and the Ozarka program. With the able assistance of our senior Senator, Hon. MIKE MONRONEY, Senator HARRIS has played a key role in the advancement of the Ozarka program in this Congress.

Let us now go forward together to secure the funds which are authorized by this bill to advance the program.

Mr. WHITENER. I will be very happy to see the House agree to the conference report on the Appalachian Regional Act Amendments of 1967. One of the outstanding features of the Appalachian regional program is the demonstration health projects. During my service in the Congress, I have been a strong supporter of health legislation.

The demonstration health projects included within the Appalachian Regional Commission Act has been one of the most significant steps taken in recent years toward the promotion of better health in the Appalachian region.

Under the conference report the demonstration health projects program should move forward. A health project has been approved for Burke County, N.C., one of the great counties I am privileged to represent in the Congress.

Mr. Speaker, I am hopeful that final action on the legislation will be expedited and that we shall have the President's approval within the next several days.

Mr. FALLON. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. FALLON. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on the conference report just agreed to.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from Maryland?

There was no objection.

ESTABLISHING PROCEDURES TO RELIEVE DOMESTIC INDUSTRIES AND WORKERS INJURED BY INCREASED IMPORTS FROM LOW-WAGE AREAS

Mr. PERKINS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 478) to amend the Fair Labor Standards Act of 1938 to establish procedures to relieve domestic industries and workers injured by increased imports from low-wage areas.

The SPEAKER pro tempore (Mr. ALBERT). The question is on the motion offered by the gentleman from Kentucky.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration on the bill H.R. 478, with Mr. BROOKS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Kentucky [Mr. PERKINS] will be recognized for 1 hour, and the gentleman from California [Mr. BELL] will be recognized for 1 hour.

Mr. PERKINS. Mr. Chairman, I yield myself 3 minutes.

The CHAIRMAN. The gentleman from Kentucky is recognized.

Mr. PERKINS. Mr. Chairman, this is a bill to amend the Fair Labor Standards Act, to establish procedures to relieve domestic industries and workers injured by increased imports from low-wage areas. Insofar as I know, all the American industries are supporting this legislation.

This legislation which, in my judgment, should be much stronger, is long overdue. The coal fields of eastern Kentucky in the early 1950's lost their market for coal on the eastern seaboard because of competition from residual fuel oil, largely produced by slave labor in Venezuela. And that situation prevails throughout the whole Appalachian area.

Mr. Chairman, this bill is not going to solve all the problems; it is not going to upset or affect any existing trade agreements in effect at the present time.

but it will have an impact on all American industry.

I personally believe it will help protect the textile people and the steel people from undue competition based wholly upon cheap labor. The gentleman from Pennsylvania [Mr. DENT] perhaps is the foremost authority on this subject in this Chamber. I make that statement because the gentleman has studied the impact of imports on American employment more so than any other Member of this body. He has not only studied it since he became a Member of Congress for the last 10 years, but he studied it when he was in the General Assembly of the Commonwealth of Pennsylvania. Since Mr. DENT came to the Congress he has carried on a continuous study, official or otherwise.

I think enough of us here remember when the gentleman from Pennsylvania first took an official look into the impact of imports on American employment, back in 1961 and 1962. At that time, he chaired an ad hoc subcommittee established for that purpose. The work of that subcommittee was enormous, and it worked tirelessly under the leadership of the gentleman.

From that time we heard JOHN DENT speak out on trade. He started alone, and many were quick to dismiss his admonitions. What happened in the intervening years is not germane to this discussion. But it is important to note, however, that the gentleman from Pennsylvania convened his labor subcommittee on August 29, 1966, to begin a new round of hearings on the legislation before us. That was more than 1 year ago. Since then, his subcommittee actually heard testimony for over 6 months. Several undertook an onsite investigation of foreign producers whose production is exported in large part to the United States and sold in competition with domestically produced goods. The point of all this, Mr. Chairman, is that H.R. 478 received more consideration than any other bill I am aware of. It was debated within the Committee on Education and Labor until finally reported on September 13.

Mr. Chairman, we are today considering a bill conceived and authored by the gentleman from Pennsylvania, but deserving the support of this entire body. Although the gentleman carried on the struggle for this legislation almost singlehandedly for so long, we now recognize his efforts as being in all our interests—and especially for the workers, firms, and communities we represent, who find themselves at the economic mercy of low-wage-produced foreign imports.

Mr. Chairman, there is nothing in this bill inconsistent with our desire for understanding and exchange through trade. There is nothing here that violates our basic policy of fair trade. There is, however, a new avenue of approach to the problem we incur by unfair and disproportionate competition. That avenue is a recognition and consideration of the worker and his community. For too long we have measured our international trade in dollars and cents. We are only asking that it also be measured in terms of jobs.

I might also say, Mr. Chairman, that we all realize a fair basis as the ideal condition for exchange of goods. Many of our sister nations have wage rates which are in no way comparable to even our minimum wage. Hopefully, the Dent bill will give added incentive and encouragement to those nations and their industries to raise wage levels. Participation in the American marketplace is a very inviting goal, and I believe this could be an effective device to elevate living conditions throughout the world. When all countries apply basic labor standards, then all countries will be able to participate in the wealth of nations.

Mr. Chairman, before concluding I would again like to congratulate the gentleman from Pennsylvania and his subcommittee. The gentleman is an expert in this area and it was only through his persistence and diligence that this bill is before us today. His subcommittee has achieved a record of legislative excellence, and this bill is totally consistent with that record. He and his subcommittee deserve our appreciation for their devotion and application to the finest legislative principles.

Mr. Chairman, I now yield to the gentleman from Pennsylvania [Mr. DENT] who will be in charge of the time.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. BELL].

Mr. BELL. Mr. Chairman, I yield myself such time as I may require.

(Mr. BELL asked and was given permission to revise and extend his remarks.)

Mr. BELL. Mr. Chairman, I rise in support of H.R. 478.

Interest in the impact of foreign imports on the economic well-being of our Nation is not limited to one or another segment of our structure.

It concerns all of us.

Recognizing problems inherent in foreign trade policies, the Congress several years ago enacted legislation to open a channel for industry to present grievances to the President.

Labor, however, was not granted access to this channel.

During hearings on H.R. 478, it became clear that labor—as well as management—and individual communities—as well as the Nation as a whole—have a legitimate interest in the effects of foreign imports on the domestic economy.

Testimony repeatedly illustrated certain disadvantages faced by American labor when placed in competition with foreign labor's lower wage scales and lower standards of living.

Ironically, it is the very factors which have so significantly contributed to the material well-being of our labor force that may now be having the reverse effect.

The dilemma is caused by the fact that American wage-and-hour protections obviously do not affect the policies of other governments.

Existing law has provided no relief to domestic workers and offers no recourse to communities.

For example, my own State of California has 14 tanning factories whose products must compete with Japanese imports.

The United States has become the major supplier of hides to Japan which has in turn become the major producer of finished leather goods imported by the United States.

But Japan has a total embargo on leather imports from the United States, while we have no such restriction.

The result of Japan's protectionist attitude is that our own processors are being forced out of business.

An example of a larger nature is the U.S. steel industry.

It has been estimated that the total employment displaced by 1966 steel imports would approximate 83 thousand people.

One witness stated it most succinctly: Steel imports mean job exports.

H.R. 478 will not offer the complete solution to such grievances.

It will not automatically raise any barriers to foreign imports.

But it will recognize the legitimate concern of labor with respect to those imports.

And it will grant to labor and to individual communities a vehicle by which their complaints can be fairly evaluated.

Previous speakers have indicated that this bill does not do very much.

If it does nothing else, it will alert the Secretary of Labor and the American public to the needs and the problems in connection with imports. It is important for our Nation to be alerted to these problems and to begin thinking about some of the solutions that we will have to undergo to make our whole system of imports more reasonable, fair, and effective.

(Mr. BELL asked and was given permission to revise and extend his remarks.)

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. BELL. I yield to the gentleman from Iowa.

Mr. KYL. Perhaps the gentleman in the well would prefer that the author of the bill, the gentleman from Pennsylvania, respond to this question.

In the hearings and in the report accompanying the bill we find no statement either in favor of or in opposition to this bill from any of the departments of the administration. Can the gentleman from California or the gentleman from Pennsylvania respond to the reasons why we have no such reports?

Mr. BELL. I do not know of any opposition, that is official opposition, from any of the departments of Government. Perhaps if the gentleman from Pennsylvania, the chairman of the subcommittee and author of the bill, should answer this question.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. BELL. Yes, I yield to the gentleman from Pennsylvania.

Mr. DENT. The committee asked many departments for their views, and also invited the departments to present their views at the hearings. The department most vitally interested was the only department to reply. Mr. Charles Donahue, speaking for the Secretary of Labor, Mr. Wirtz, came before the committee. The summary of his position might well be read into the RECORD at this point in order to clarify this situation in the minds of the Members who felt, I believe erroneously, awhile ago that the Secretary

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

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HIGHLIGHTS: Senate agreed to conference report on Appalachia bill. Senate debated poverty bill. House committee voted to report continuing appropriations measure, and Rep. Bow discussed it. House passed bill to amend Packers and Stockyards Act. Rep. Sullivan inserted President's remarks in signing food stamp bill.

SENATE

1. APPALACHIA. Agreed to the conference report on S. 602, to revise and extend the Appalachia program. This bill will now be sent to the President. pp. S13879-81

2. POVERTY. Continued debate on S. 2388, the poverty bill (pp. S13877, S13892-3, S13924-5, S13931-8, S13940-5). Agreed to amendments by Sen. Prouty to provide for investigation and evaluation of poverty programs by GAO (pp. S13931-3), and to require that records on placement of Job Corps members be placed with

the Secretary of Labor (p. S13933). An amendment by Sen. Curtis, to repeal the Job Corps authorization, was pending at the end of the day (p. S13942).

3. TRANSPORTATION. The Commerce Committee reported without amendment S. 1314, to "modernize" certain restrictions upon the application and scope of the exemption provided therein (S. Rept. 578). p. S13869

4. ECONOMY; BUDGETING. Sen. Proxmire inserted a statement which, he claimed, shows no inflationary pressure on military procurements. pp. S13883-4
Sen. Ribicoff recommended and inserted an article favoring Sen. Proxmire's proposal for a Federal program evaluation commission. p. S13924
Sen. Mondale inserted an article defending Federal spending and discussing interrelationships of the economy, taxation, and the budget. p. S13939

5. TOBACCO. Sen. Jordan, N. C., questioned the basis of objections to smoking and inserted an article, "Antismoking Figures Look Flimsy." p. S13890

6. FOREIGN AID. Sen. Hartke commended the International Executive Service Corps. pp. S13891-2

7. RESEARCH. Sen. Mondale inserted articles by Dick Youngblood describing technological and scientific discoveries of benefit to agriculture. pp. S13898-905

8. RURAL DEVELOPMENT. Sen. Byrd, W. Va., inserted an article, "Difficulties of Big Cities Tied to Ills of Small Towns." pp. S13927-9

9. POVERTY. Sen. Mondale inserted a letter from the Intercounty Community Council, Oklee, Minn., describing its actions under an OEO project. pp. S13939-40

10. HURRICANE DAMAGE. Sen. Yarborough reported on recent hurricane damage in Tex. and the President's inspection trip. pp. S13937-9

11. ADJOURNED until Mon., Oct. 2. p. S13945

HOUSE

12. PACKERS AND STOCKYARDS. Passed, 234 to 6, with a technical amendment H. R. 10673, to amend title III of the Packers and Stockyards Act of 1921, as amended (pp. (pp. H12748-55). The committee report states the primary purpose of this bill "is to make clear that a stockyard owner has the responsibility and right to manage his stockyard in a just, reasonable, and nondiscriminatory manner, and to require persons operating at the stockyard to conduct their operations in a manner which will foster, preserve, and insure an efficient, competitive market, while preserving to the Secretary of Agriculture the right under the Packers and Stockyards Act to prevent any abuse of authority by the stockyard owner with respect to the matters involved in the bill."

13. APPROPRIATIONS. The "Daily Digest" states that the Appropriations Committee "ordered reported favorably to the House H. J. Res. 853, making continuing appropriations for fiscal year 1968" (p. D868), and Rep. Bow stated that if the Rules Committee "had met yesterday on the continuing resolution, it could have been brought up today and action taken on it" (p. H12761

(At this point, Mr. HARTKE assumed the chair.)

WALL STREET JOURNAL REPORTS ON USE OF AUDIOVISUAL EQUIPMENT IN EDUCATION

Mr. YARBOROUGH. Mr. President, I was pleased to see the Friday, September 22, issue of Wall Street Journal contain a very good article by Jim Hyatt on Project Discovery. This project, which has been bringing audiovisual aid to the schools of chosen experimental areas during the last year, has picked out Terrell County, Tex., as one of its locations. The benefits that the students of this country have gained are tremendous, and have served to prove to Terrell County educators the great value of audiovisual aids in the schools.

I am especially glad to see the success of this project, as I took a special interest in the inclusion of audiovisual equipment in the provisions of the Elementary-Secondary Education Act in 1965. I am glad to see reported in this article the very positive reaction of teachers and students to the increased use of audiovisual equipment in their education. The article notes that the extra help provided in these districts has been to experts like "a little bit of heaven."

This is a timely and thoughtful article, and one which we in Congress should consider carefully in our attempts to provide the best in education for American students.

Mr. President, I ask unanimous consent that the article "Project Discovery via the Film Library," in the Friday Wall Street Journal, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Sept. 22, 1967]

PROJECT DISCOVERY VIA THE FILM LIBRARY—WHAT'S NEW AT SCHOOL

(By Jim Hyatt)

TEXAELL, TEX.—For many students, audiovisual education is a projector locked in the principal's office, a handful of outdated films and a bunch of bored teachers who use the movies for a coffee break.

Not here. The 150 teachers and 3,200 students in this small (pop. 15,000) North Texas community have films and equipment at their fingertips. Each classroom in the 12 grades has its own screen, 16mm and filmstrip projector, and portable table. Each of the five campuses has its own film library. Altogether, Terrell's school system has access to equipment, films and filmstrips worth more than $600,000.

The investment is due to Project Discovery, an experiment in audio-visual saturation sponsored by Bell & Howell Co., a manufacturer of film projectors, and Encyclopedia Britannica Educational Corp., a film distributor. The two companies set out in 1964 to answer some key questions about broad-scale use of audio-visual materials. Are films used mainly to kill classroom time? Do films interrupt the lesson or contribute to it? Would students use films for outside study and research? Is the equipment reliable?

REMARKABLE RESULTS

Terrell's schools and three elementary schools, in Shaker Heights, Ohio; Daly City, Calif., and Washington, D.C., were picked for the program. The film and equipment have been in use here for two full school years. Scientific data haven't been compiled so far, but the broad results seem remarkable. School attendance has improved. Teacher turnover has declined. Circulation at the high school library doubled in a year. Achievement levels in some classes rose as much as two years.

"Even though we did it for research in the beginning," says Terrell's Superintendent Grady Hester, "Project Discovery is a way of life with us now. Our faculty can't think in terms of teaching without it."

Terrell didn't step into Project Discovery overnight, however. The faculty and administration spent the 1964–65 school year reviewing the curriculum. Thousands of films and filmstrips were previewed.

The administration here has tried to eliminate inflexible rules about film use. "The teacher is the best judge of what to use," says one official. Thus, the system doesn't require teachers to order films far ahead, or to return the film by a certain time. With such flexibility, teachers have begun to broaden use of the materials. One fourth-grade instructor used a filmstrip to teach manners, then found the captions were good examples of punctuation. A film about a fox delights first graders; older students find the story full of adjectives, their subject for the day.

An Ohio State University study of the five elementary schools in the program found that during the 1965–66 school year 127 teachers used films and film strip 8,337 times. Terrell's elementary teachers used 55% of the films and 70% of the filmstrips. In addition, the 12-grade Terrell system used more than 9,000 films and filmstrips during the 1965–66 school year.

One civics teacher uses two projectors at once, to contrast American and British government, for example. Some teachers use as many as three different films or filmstrips in one lesson.

Students have been trained to use films outside of class, too. Terrell's library has private viewing-rooms for study. Pupils earning a "projectionist's license" may take the equipment home. One high school freshman, confined to his bed for several months, completed biology, physics and chemistry courses by using films.

The sponsors insist the project isn't a rigidly scientific experiment because there are no control groups for comparison. While most teachers and students subjectively feel achievement has increased, other factors could be at work—Terrell's new buildings, the new curriculum or the new enthusiasm of teachers.

Few school systems, of course, have assumed the high cost of outfitting themselves in the fashion of Project Discovery. A typical film costs $90, and the easy-operating projectors used here retail at $755 each. One authority estimates that Texas ranks 50 in the nation in its use of audio-visual materials, with less than 1% of the state's schools owning their own film libraries.

One film manufacturing executive says that while the nation's schools probably spend 75 cents per pupil a year on audio-visual programs, a Project Discovery would cost $14 or $15 per pupil initially. Indeed, most schools fall far short of the optimum inventory: A projector for every classroom. And they probably don't even approach the standards drafted by the National Education Association's department of audio-visual instruction. The guidelines call for an elementary school to have a 16mm projector for each 10 teachers, a filmstrip viewer for each three teachers, a library of at least 500 films, and one filmstrip per student. School districts, the guidelines add, should spend at least 1% of the average per-pupil cost a year on maintenance and replacement of audio-visual supplies. Capital expenditures are extra.

Spending for such materials is rising, partly due to the influx of Federal funds from the Elementary and Secondary Education Act of 1965. "Without Federal money, we'd all be a dead duck," concedes one equipment executive, who estimates that equipment purchases probably jumped 400% last year.

INDICATIVE TREND

School Management magazine surveyed school spending for audio-visual purposes in 1966 and concluded that the sum rose from $97.6 million in the 1962–63 school year to $187 million in the 1965–66 school year. The figures are considered low, due to the nature of the survey sample. But the trend is indicative of the national pattern. The average school district, the magazine added, spent $1.91 per pupil in 1962–63 on audio-visual instruction, compared with $3.98 per pupil in 1965–66.

Experts concede that Project Discovery "is a little bit like heaven" for a school district and conclude that the average school has to set its sights a little lower. Administrators, they insist, must learn to "swing" a little to get the best usage out of a limited budget. Too many schools still keep the equipment entirely out of student hands, and require teachers to order films a semester or a year ahead. "A teacher in a big school system of 150 buildings might have to wait four or five years to get a particular film, if she lives long enough," says one critic.

But he believes Project Discovery and similar programs are "getting at the problem of nothing happening in the classroom." He argues, "Films aren't going to make good teachers out of mediocre teachers, but they can make average teachers more effective. And make school a little more interesting for kids."

APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1967—CONFERENCE REPORT

Mr. RANDOLPH. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 602) to revise and extend the Appalachian Regional Development Act of 1965, and to amend title V of the Public Works and Economic Development Act of 1965. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of September 26, 1967, pp. H12489–H12493, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. RANDOLPH. Mr. President, action by the Senate today will bring to a close consideration of legislation reaffirming the commitment of Congress to the program designed to help revitalize the important Appalachian region of our Nation.

The area of disagreement between the House and Senate versions of the legislation, while important, was few in number. The Senate agreed to the language of the House bill providing certain protections for employees of the Appalachian Regional Commission as well as the employees of the other regional commissions established pursuant to title V

of the Public Works and Economic Development Act of 1965.

The only important difference in the two bills as relate to the highway program concerned the number of miles of access roads to be authorized. As passed by the Senate, the authorization would have been 2,000 miles; as approved by the House, it would have been 1,200 miles. The conferees adjusted the difference at 1,600 miles.

Action in the House resulted in the deletion of language in the section of the act dealing with "demonstration health projects." The House amendment deleted authority to make grants for operating such medical facilities. The Senate managers deemed these grants to be important elements of the program inasmuch as the "brick and mortar" structures themselves would have little use if adequate staff could not be hired to make them function properly. The conference report reinstates the authorizing language.

One of the needs of the region recognized in the Senate bill was the provision for a meaningful research program in hardwood technology and marketing of new hardwood products. The conference report adopted the Senate language and provided for a 2-year authorization of $2 million to carry out this research program.

The keystone of the nonhighway portion of the program is the supplemental grant section of the act. The Senate had approved an authorization of $97 million to carry out this vital program. The House had reduced that figure to $71 million. The conferees agreed to the higher Senate figure. I place emphasis on this agreement but call attention to the fact that the Senate conferees concurred in the House overall authorization ceiling of $170 million on all nonhighway items. It is the view of the Senate conferees that the reductions in program authorizations which this ceiling will necessitate should not be applied to the $97 million provided for supplemental grants under section 214 of the act.

The $170 million authorized for nonhighway activities reflects and is relatively commensurate with the expenditure level achieved during the past 2 years. As I stated when the conferees concluded their deliberations:

Because of our country's extremely heavy commitments in Vietnam, there is little likelihood that the total passed by the House and agreed to by the conference could possibly be funded. When the Senate passed the bill five months ago, the fiscal situation was not as dark as it is today, and when the Senate Public Works Committee considered it and recommended it to the Senate, the budget request from the President for fiscal year 1968 had not been submitted to Congress. In the subsequent budget request, the non-highway items were asked to be funded, for the fiscal year which began July 1, by Congress with appropriations of $65 million, only slightly more than one-third of the $170 million authorized for two years.

S. 602 also contains important amendments to title V of the Public Works and Economic Development Act of 1965. This language provides for supplemental grant money for each of the title V regions in the amount of $5 million for each region for fiscal year 1968 and $10 million for each region for fiscal year 1969. There were differences between the Senate and House versions of this program and the conferees agreed on the Senate language which provides that the money for such supplemental funds will go through the Federal cochairman for each of the regions involved.

This conference report which has been approved by the House, and on which I ask approval this afternoon, will enable the Appalachian program to go forward at a rate commensurate with our ability to meet the original objectives of the Appalachian Regional Development Act of 1965. In the 2 years since the enactment of that legislation, the program has fully justified our early hopes for its success and its service.

Mr. COOPER. Mr. President, will the Senator from West Virginia yield?

Mr. RANDOLPH. I yield.

Mr. COOPER. I shall place in the RECORD a statement giving the details and results of the conference. I should merely like to say now that we are grateful for the leadership of the distinguished Senator from West Virginia [Mr. RANDOLPH]. I emphasize that the results of the conference and the conference report before the Senate are compatible with the needs of the area, and also with the budget situation.

We have been very proud of the progress of the programs under the Appalachian bill.

I emphasize again that I think the chief reason for its progress is that the bill enlists the cooperation of the States and requires that the program determinations be made by the States themselves.

It is this fact—this cooperation, and this initial determination by the States as to the kind of programs they need—as well as the opportunity to establish priorities, which has kept the program in balance. There has also been a reasonable balance fiscally.

I am happy that some years ago I had the opportunity to work with the chairman, the distinguished Senator from West Virginia, in the introduction of the original bill, and again this year in conducting the hearings.

I feel, with him, great pride in the accomplishments of the Appalachian regional development program.

Mr. President, the aforementioned statement follows:

STATEMENT OF SENATOR COOPER

I am glad to join with Senator Randolph, the Chairman of the Committee on Public Works on which I serve, in recommending that the Senate adopt the Conference Report on S. 602, the Appalachian Regional Development Act Amendments of 1967.

I was a cosponsor of the Appalachian Regional Development Act of 1965, which this Act continues and, with respect to the programs other than highways, which it extends for two years. Earlier this year, on January 23, I was glad to join with the senior Senator from West Virginia in sponsoring, and managing in the Senate, S. 602.

During the two years the Appalachian program has been in effect, it has given us great hope. It is accomplishing results. I believe it is more successful than many other programs primarily because it has actually brought into the work the Governors and the States. It enlists local cooperation and initiative. Objectives are formed and moved toward with some sense of priorities. We have grounds to expect that this record of accomplishment will continue.

The bill as agreed upon by the Conference continues the authorization for the Appalachian development highway system, at a level of $715 million for the four fiscal years beginning with fiscal 1968. It provides authorization for appropriations to the nonhighway programs of $170 million for fiscal years 1968 and 1969—a realistic level in view of the President's budget and the amounts that have been appropriated and can be expected to be appropriated.

I was particularly interested in the authority contained in Section 202, which in the Senate bill provided for grants for the operating expenses of multicounty demonstration health facilities, including hospitals. The House bill restricted operating expenses to health facilities constructed under the Act. In the conference I pointed out that it would be wasteful to build facilities where existing facilities could be put to use, and I am glad the Senate language was accepted by the House.

One of the most useful programs, as Senator Randolph has emphasized, has been that for supplemental grants-in-aid—which permit the Appalachian Regional Development Commission to supplement in Appalachia the Federal matching grants available under other assistance programs, up to a level of 80 percent. The Senate bill had authorized $97 million, compared to $71 million contained in the House bill, and the Senate amount was maintained.

The House also accepted the Senate provision authorizing the Secretary of Agriculture to make grants to carry out research in the utilization of Appalachian hardwoods, although the authorization was reduced from $4 million to $2 million.

We believe the wide acceptance of the Appalachian Development Program by the Congress and by the country shows what can be accomplished with better coordination of Federal efforts, and greater emphasis on State and local initiative and planning.

I may say that S. 602 as passed by the House on September 14 followed rather closely the bill reported to the Senate by the Committee on Public Works, and passed by the Senate on April 27. The authority in the conference bill to continue the Appalachian programs, and making some changes in those programs, is very much the same as the bill passed by the Senate—and my remarks in the RECORD on April 26 contain a detailed explanation of those changes. The House Committee did reduce the 2-year authorization for the non-highway programs by $53 million, from $273 million approved by the Senate to $220 million, and the House itself further reduced that amount by $50 million. But the purpose, the scope, and the effectiveness of the Appalachian programs is maintained, and we look forward to the continued progress of these programs under the guidance of the Appalachian Regional Commission.

Section 201 of the bill continues the authority for the Appalachian Development Highway System, originally authorized for a period of six years at a level of $840 million. $300 million of that amount has already been appropriated. It provides an authorization of $715 million for the fiscal years 1968 through 1971. The Development Highway System will consist of 2700 miles of high-type road.

The Senate bill also authorized 2,000 miles of the local access roads; the House bill 1200 miles, and the Conference agreed upon 1600 miles of access roads.

Section 202 authorizes the program of grants for the construction, equipment and operation of multi-county demonstration health facilities. I have mentioned the importance of the Senate language—which would avoid the wasteful duplication of construction in order to provide health services, by permitting these operating funds to

be used at existing hospitals and facilities, rather than only those constructed under the Act. This section is of particular interest in Kentucky, and we are very hopeful that it will make possible the development of a multi-county health program which will be of great benefit to the region and serve as an example in the nation. The Conference Report conforms to the House allowance of $50 million for this program.

Section 203 authorizes conservation, land stabilization and erosion control agreements between land owners and the Secretary of Agriculture, similar to the familiar ACP program. The House, Senate and Conference bills authorized $19 million for this purpose.

Section 204 was originally directed to timber development organizations. The Senate bill redirected this section to research on hardwood utilization, production and marketing—a neglected resource of the Region, but one which offers great opportunity. The Senate bill authorized $4 million for this work; the House bill provided $1 million to continue the timber development organizations; the Conference bill authorizes $2 million for the Appalachian hardwood research program.

Section 205 authorizes the program of mining area restoration. The Conference Report adopts the level of $30 million provided by the House.

Section 206 continues the water resources survey by the Corps of Engineers, authorizing $2 million to complete the survey.

Section 207 adds a new section to the Act, authorizing the Secretary of Housing and Urban Development to establish an Appalachian housing fund to provide loans for the cost of planning housing projects intending to qualify for insured mortgages under Section 221 of the National Housing Act. Beter housing is one of the most urgent needs of the area, and this new authority, authorized at $5 million, was unchanged by the House.

Section 211 authorizes grants for the construction of vocational educational facilities. It has been one of the most valuable provisions of the Appalachian Act. In fact in Kentucky, the principal effort, other than highways, has been directed to vocational education. Recognizing its value, the House bill increased the Senate authorization to $26 million, which was adopted by the Conference.

Section 212 provides grants for sewage treatment works, to supplement those provided under the Federal Water Pollution Control Act. It was unchanged by the House; $6 million is authorized for this purpose.

Section 214, as I have mentioned, has proven especially useful. It provides a means for securing the concentration of effort on selected projects by enabling the Commission to make supplemental grants-in-aid, up to 80 percent, for projects eligible for assistance under the other Federal programs. I believe it has encouraged orderly planning, and the assignment of priorities. Perhaps most important, this mechanism helps secure a coordinated State and local effort, assisted by the cooperation of the various Federal agencies involved. I consider it a mark of the success of the supplemental grants-in-aid that the House accepted the Senate amount of $97 million authorized for Section 214, an increase of $26 million over the House figure.

Section 215, to provide a modest amount for grants for cultural programs, was omitted at the insistence of the House.

Section 302, which provides funds for research and for the administrative expenses of local development districts, was authorized at $13 million by the Senate, $10 million by the House, and established at $11 million by the Conference.

In discussing the limitations on appropriations for each of the above non-highway programs, I think I should point out that the total for Sections 202 through 302 exceeds by $78 million the amount authorized by Section 401 for all these programs taken together—which is $170 million for fiscal years 1968 and 1969. Not more than $170 million may be appropriated for all of the programs together, but individually there is some latitude and flexibility. To put it another way, a ceiling is imposed on the amount which may be appropriated for each of the programs. The total of these program ceilings exceeds the authorization in Section 401 by $78 million.

Continuation of the Appalachian development highway system, and the 2-year extension of the other programs—together with the additional authorities granted by the bill and the administrative changes made—represent a reaffirmation of the original Act, and support for the work which has been accomplished and is under way. It will permit the Appalachian program to go forward with continued effectiveness.

I have been glad to have a part in this work. Again I thank the Senator from West Virginia (Mr. Randolph) for his leadership, deep interest, and hard work which will bear fruit through the implementation of this Act—and join him in urging adoption by the Senate of the Confeernce Report on S. 602.

Mr. RANDOLPH. Mr. President, I commend the constructive contribution of the Senator from Kentucky, who is the ranking minority member of the Committee on Public Works. He was instrumental in drafting the initial legislation in 1965. He has maintained intense interest in the program and is aware of the achievements which have been wrought under the act, which has now been in operation for some 2 years.

I remind Senators that the Senate originally passed the measure by a vote of almost 3 to 1. In 1965 the Senate gave such substantial approval because of the emphasis on the creation of a State and Federal partnership requiring that decisions and programs be conceived and carried forward in the region at the State level.

In April of this year the Senate, by a vote of more than 5 to 1, expressed an even more substantial approval on extension and revision of the act.

I believe this overwhelming approval was a direct result of the fact that the program was carried out during the 2-year period, 1965–67, as an outstanding example of State and Federal cooperation.

I believe that as a result of the conference we have brought back to the Senate a bill which carries out the purposes of the original legislation.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

NATION'S TOP EXPERT SAYS DEFENSE NOT EXERTING DEMAND PRESSURE ON ECONOMY

Mr. PROXMIRE. Mr. President, I ask unanimous consent to be allowed to continue for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, the No. 1 question on which our decision should depend on whether or not we enact the proposed 10-percent surtax is this: Is the tax necessary to take the inflationary steam out of the economy?

Of course, no tax increase can reduce the cost pressures that push up prices. Indeed, a tax increase is sure to contribute to the cost pressure to the extent the tax increase becomes a cost. And the proposed 10-percent corporation surtax will certainly become a cost.

If the increased tax is to play any useful economic role in stemming inflationary pressure, it must be by reducing the demand pull on prices.

Today, Mr. President, I summon as competent a witness as this country has to show that the pressures from the defense sector of the economy on demand do not require tax increase restraint.

If there is any common bromide in the tax debate, it is that we need a tax increase to pay for the Vietnam war or to stem the pressure on the economy from the increased spending for defense. Put another way—that we cannot have guns and butter, and that the guns are going to have to be produced in such quantity that America's facilities are going to be under intolerable pressure unless we increase taxes to cut down on the butter.

Mr. President, this is one ghost that was laid to rest yesterday when Prof. Murray Weidenbaum addressed the National Association of Business Economists in Detroit.

Who is Professor Weidenbaum? For several years he was an economist on the Budget Bureau staff. Thereafter he was economic adviser to the Boeing Aircraft Co. He then served for a time as a senior economist on the staff of the Stanford Research Institute, and is now chairman of the Department of Economics at Washington University.

Last spring when the Joint Economic Committee was considering what we could do to secure more timely advice for the Congress on the impact of Defense spending on the economy, I—as chairman—asked the staff who was the most competent economist on the country to advise us. They replied with enthusiasm that Professor Weidenbaum was the best man in the country for this. Indeed, it was Professor Weidenbaum who gave us the principal advice on which the Defense Economic Indicators which developed from that Joint Economic Committee Inquiry developed. He told us just the kind of Defense data we should secure to enable us to most clearly foresee the impact of the Defense effort on the economy.

What does Professor Weidenbaum find right now, on the basis of current Defense Economic Indicators?

Does he find that the on-rush of defense orders is going to so stimulate business activity and employment that the Nation will be faced with explosive demand pressures on employment and facilities that will make the economy a shambles?

Quite the contrary. He finds, as he said just yesterday, and I quote him:

> The period of rapid rise in government spending necessitated by the Vietnam War has drawn to a close and increases in government spending through December 1968 will be much smaller than those we have witnessed in the past few years.
>
> Since the first quarter of 1966, military prime contract awards (exclusive of work to be performed outside of the United States)

have shown no growth trend whatever. During the past five quarters, these awards have fluctuated between $10.1 billion and $10.7 billion. The figure for the most recent period (March to June 1967), $10.7 billion, is only slightly higher than the $10 billion for the same period in 1966. Adjusting for the substantial inflation which has occurred in military procurement during the Vietnam buildup, it seems that defense orders in real terms have been on a virtual plateau for the past year.

The rise in the size of the armed forces has abated. Between the first and fourth quarters of 1966, military manpower increased by 365,000 reaching a total of 3,334,000. The increase for this year to date has been only 41,000, less than one-eighth of last year's expansion.

Mr. President, the analysis by Professor Weidenbaum showing that defense orders have stopped growing and have reached a plateau should be placed in the perspective of an American industry which has expanded at an immense rate in the past few years and continues to expand. Our facilities can produce a whopping 6 or 7 percent more each year—compounded.

Our available manpower rushes ahead at one and a half million every year. What happens as defense orders level off and industrial capacity and manpower continue to grow rapidly?

Does this mean that the defense and the Vietnam war is putting pressure on the economy that is likely to drive up prices? Does this mean that a $10 billion tax increase is necessary to stop excessive demand from pulling up prices?

Of course not. The hard facts suggest exactly the opposite. The economy is getting no pressure from the guns side of the guns-and-butter demand on our economy. The guns aspect of the pressures are diminishing—not increasing.

Indeed, we can stand a big and growing increase in demand from the nondefense sector of the American economy to keep our growing manpower and surging plant facilities busy.

Once again, Mr. President, I plead with my fellow Senators and with the administration to take a long, hard look at the nature of recent rising prices. There is no evidence that demand pressures are pulling prices up. There is no evidence that a tax increase would be the kind of demand-depressing prescription that would help keep prices down. There is much evidence that increasing costs are pushing up prices and that increased taxes will add to those increased costs.

The Congress should not be stampeded or intimidated into support for a tax increase on the grounds that the economic facts of life support such a tax increase and that a tax increase is the only responsible course. This is simply not the case. The responsible course on the basis of present economic facts is to oppose a tax increase.

I ask unanimous consent to have the speech of Professor Weidenbaum delivered in Detroit yesterday printed in the RECORD at this point.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE OUTLOOK FOR GOVERNMENT SPENDING IN 1968: A SLOWER RATE OF GROWTH

(A paper to be presented to the annual meeting of the National Association of Business Economists, Detroit, Mich., September 28, 1967, By Murray L. Weidenbaum, chairman, Department of Economics, Washington University, St. Louis, Mo.)

It is always a pleasure to prepare a forecast of government spending. There is so much room for creativity and imagination. We are not bound by such restrictions as are found in other sectors. Projections of consumer spending may only vary between 92 and 94 percent of personal income. Estimates of capital spending may only vary plus or minus a few percent from the Commerce-SEC survey results. In comparison, government spending is a wide open field with so much opportunity for individual exploration.

Taking advantage of this opportunity, I should like to suggest that—on the basis of the data now publicly available—the period of rapid rise in government spending necessitated by the Vietnam War has drawn to a close and increases in government spending through December 1968 will be much smaller than those we have witnessed in the past few years.

DEFENSE SPENDING

Federal purchases of goods and services for national defense (the defense portion of GNP) have risen from $60.5 billion in 1966 to an approximate $74.0 billion in 1967, an increase of 22 percent for the year. On the basis of current data (this in the past has often been a heroic assumption), I project national defence purchases in 1968 at $80 billion, an increase of 8 percent. A few words of explanation need to be given for this pinpoint forecast. By offering a rounded estimate, $80 billion, I am sticking my neck out and declaring that the figure will not be as low as $70 billion nor as high as $90 billion, and that is all.

Of course, it is always necessary to stipulate that another major escalation, which is not visible in any of the lead indicators available to us, would upset these calculations. Nevertheless, several important factors indicate the current leveling off in military demand in the American economy.

1. Since the first quarter of 1966, military prime contract awards (exclusive of work to be performed outside of the United States) have shown no growth trend whatever. During the past five quarters, these awards have fluctuated between $10.1 billion and $10.7 billion. The figure for the most recent period (March to June 1967), $10.7 billion, is only slightly higher than the $10.1 billion for the same period in 1966. Adjusting for the substantial inflation which has occurred in military procurement during the Vietnam buildup, it seems that defense orders in real terms have been on a virtual plateau for the past year.

2. The rise in the size of the armed forces has abated. Between the first and fourth quarters of 1966, military manpower increased by 365,000, reaching a total of 3,334,000. The increase for this year to date has been only 41,000, less than one-eighth of last year's expansion.

3. The surge of obligations over expenditures has ended, at least for the time being. Here we rely on the lead indicator relationship between the measures of the early and late stages of the government spending process to indicate future trends. Net obligations (gross obligations minus an adjustment of 8 percent for double counting and other technical factors) were running $8.2 billion over expenditures during the first half of 1966, at annual rates. The gap had narrowed to $2.6 billion for the second half of 1966. For 1967 to date, the relationship has been reversed. Net expenditures are running about $3 billion above net obligations.

From these data, it would appear that the Vietnam buildup has hit its stride and is now reaching a plateau. It is tempting to conclude from this type of analysis that the war in Vietnam is deescalating and will be terminating in the foreseeable future. This type of optimistic conclusion, of course, is not supported by any economic or statistical analysis and requires political and military expertise not possessed by the author.

However, it might be of interest to speculate as to the nature and dimensions of a cutback in U.S. defense spending following peace in Vietnam. Various "scenarios" are possible, including a sudden one-shot cessation, a phase withdrawal, a decline at the same pace as the buildup, etc. For purposes of illustration, let us assume that the reductions will follow the lines of the post-Korean adjustment.

POST-VIETNAM

We can recall that the Korean buildup lasted 12 quarters and the subsequent postwar decline took half that amount of time, six quarters. By the *end of 1967, the Vietnam buildup also will have lasted 12 quarters.* Let us assume that the Vietnam war will end in December 1967 and, following the Korean experience, the reductions will take place during the following six quarters, and the new post-Vietnam rate of military spending will continue to be higher than the level existing prior to the Vietnam buildup. It is further hypothesized that the *decline* in aggregate military spending will be about *$18 billion* or two-thirds of the estimated total Vietnam increase of $27 billion from the beginning of 1965 to the end of 1967.

Let us also assume that the $18 billion reduction will be phased out over an 18 month period in the same proportions as occurred during the post-Korean adjustment. On that basis, the major declines would occur in calendar year 1968 and would total $12.5 billion, a fairly substantial amount in absolute terms. However, in relative terms, this would be a smaller proportion of the GNP than the cutback during the first year of the Korean demobilization—less than 1.6 percent of GNP versus 2.0 percent.

Undoubtedly, the cessation of hostilities in Vietnam will give rise to pressures for expansion in those defense areas which have been squeezed, as money and manpower were shifted to meet the needs of the active conflict in Southeast Asia. Specific military program areas that are likely to compete strongly for major additions in funding after the initial post-Vietnam reductions include: an operational anti-ICBM program, a new generation of strategic weapons (either long-range bombers or missiles), and military research and development. Also, there may be need to refill inventory positions and perform maintenance operations which were deferred to meet the urgent Vietnam requirements.

NONDEFENSE GOVERNMENT SPENDING

Peace in Vietnam of course would also act as a spur to civilian government spending programs. However, these programs have continued to rise during the war period, but at a slower rate than military outlays. Assuming continuation of the Vietnam war at about the current rate of resource utilization, it is likely that other Federal purchases of goods and services would rise by about $1 billion a year, to a total of $18 billion in 1968.

The bulk of the increase in non-defense purchases, of course, will continue to take place at state and local levels. The $9 billion increase in state and local purchases during the past 12 months has been at double the growth rate of the past decade, hardly evidence of a war-time squeeze on the civilian public sector. A $6 billion in-

Public Law 90-103
90th Congress, S. 602
October 11, 1967

An Act

81 STAT. 257

To revise and extend the Appalachian Regional Development Act of 1965, and to amend the Public Works and Economic Development Act of 1965.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1967

SEC. 101. This title may be cited as the "Appalachian Regional Development Act Amendments of 1967". Appalachian Regional Development Act Amendments of 1967.

SEC. 102. Section 102 of the Appalachian Regional Development Act of 1965 (hereinafter in this title referred to as "the Act") is amended (1) by inserting "and" at the end of clause (7); (2) by striking out the semicolon and the word "and" at the end of clause (8) and inserting in lieu thereof a period; and (3) by striking out clause (9). 79 Stat. 7. 40 USC app. 102.

SEC. 103. Section 105 of the Act is amended to read as follows: 40 USC app. 105.

"ADMINISTRATIVE EXPENSES OF THE COMMISSION

"SEC. 105. (a) For the period ending on June 30, 1967, the administrative expenses of the Commission shall be paid by the Federal Government. Thereafter, such expenses shall be paid 50 per centum by the Federal Government and 50 per centum by the States in the region, except that the expenses of the Federal Cochairman, his alternate, and his staff shall be paid solely by the Federal Government. The share to be paid by each State shall be determined by the Commission. The Federal Cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

"(b) To carry out this section, there is hereby authorized to be appropriated to the Commission, to be available until expended, not to exceed $1,700,000 for the two-fiscal-year period ending June 30, 1969. Not to exceed $400,000 of such authorization shall be available for the expenses of the Federal Cochairman, his alternate, and his staff. Unexpended balances of appropriations under the authorization in this section prior to amendment by the Appalachian Regional Development Act Amendments of 1967 shall remain available for the purposes of this section, as amended, until expended." Appropriation.

SEC. 104. Clause (7) of section 106 of the Act, entitled "ADMINISTRATIVE POWERS OF THE COMMISSION", is amended to read as follows: 40 USC app. 106.

"(7) enter into and perform such contracts, leases (including, notwithstanding any other provision of law, the lease of office space for any term expiring no later than June 30, 1971), cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States (which is hereby so authorized to the extent not otherwise prohibited by law) or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation."

SEC. 105. Title I of the Act is amended by inserting at the end thereof a new section as follows: 40 USC app. 101-108.

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"COMMISSION EMPLOYEE PROTECTIONS

80 Stat. 468.

"SEC. 109. Section 5334(a) of title 5, United States Code, is amended by adding at the end thereof the following new sentence: 'For the purpose of this subsection, an individual employed by the Appalachian Regional Commission under section 106(a) of the Appalachian Regional Development Act of 1965, or by a regional commission established pursuant to section 502 of the Public Works and Economic Development Act of 1965, under section 506(2) of such Act, who was a Federal employee immediately prior to such employment by a commission and within six months after separation from such employment is employed in a position to which this subchapter applies, shall be treated as if transferred from a position in the executive branch to which this subchapter does not apply.'."

79 Stat. 8.
40 USC app. 106.
79 Stat. 564.
42 USC 3182, 3186.

79 Stat. 10.
40 USC app. 201.

SEC. 106. Section 201 of the Act is amended to read as follows:

"APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

"SEC. 201. (a) In order to provide a highway system which, in conjunction with the Interstate System and other Federal-aid highways in the Appalachian region, will open up an area or areas with a developmental potential where commerce and communication have been inhibited by lack of adequate access, the Secretary of Transportation (hereafter in this section referred to as the 'Secretary') is authorized to assist in the construction of an Appalachian development highway system and local access roads serving the Appalachian region. The provisions of title 23, United States Code, that are applicable to the construction and maintenance of Federal-aid primary and secondary highways, and which the Secretary determines are not inconsistent with this Act, shall apply, respectively, to the development highway system and the local access roads. Construction on the development highway system shall not exceed two thousand seven hundred miles. Construction of local access roads shall not exceed one thousand six hundred miles that will serve specific recreational, residential, educational, commercial, industrial, or other like facilities or will facilitate a school consolidation program.

72 Stat. 885.

"(b) The Commission shall transmit to the Secretary its designations of (1) the general corridor location and termini of the development highways, (2) local access roads to be constructed, (3) priorities for the construction of segments of the development highways, and (4) other criteria for the program authorized by this section. Before any State member participates in or votes on such designations, he shall have obtained the recommendations of the State highway department of the State which he represents.

"(c) In no event shall the Secretary assist in any construction (including right-of-way acquisition) which would require for its completion the expenditure of Federal funds (other than funds available under title 23, United States Code) in excess of the appropriations authorization in subsection (g). On its completion each development highway not already on the Federal-aid primary system shall be added to such system and each development highway and local access road shall be required to be maintained by the State as provided for Federal-aid highways in title 23, United States Code.

"(d) In the construction of highways and roads authorized under this section, the States may give special preference to the use of materials and products indigenous to the Appalachian region.

Road construction.
Use of coal derivatives.

"(e) For the purposes of research and development in the use of coal and coal products in highway construction and maintenance, the Secretary is authorized to require each participating State, to the

maximum extent possible, to use coal derivatives in the construction of not to exceed 10 per centum of the roads authorized under this Act.

"(f) Federal assistance to any construction project under this section shall not exceed 50 per centum of the costs of such project, unless the Commission determines that assistance in excess of such percentage is required in furtherance of the purposes of this Act, but in no event shall such Federal assistance exceed 70 per centum of such costs. Federal percentage.

"(g) To carry out this section, there is hereby authorized to be appropriated to the President, to be available until expended, $715,000,000 for the four-fiscal-year period ending June 30, 1971. Appropriation.

"(h) (1) When a participating State proceeds to construct a segment of a development highway without the aid of Federal funds, in accordance with all procedures and requirements applicable to the construction of segments of Appalachian development highways with such funds, except insofar as such procedures and requirements limit a State to the construction of projects for which Federal funds have previously been appropriated, the Secretary, upon application by the State and with the approval of the Commission, is authorized to pay to the State the Federal share not to exceed 70 per centum of the costs of the construction of such segment, from any sums appropriated and allocated to such State to carry out this section.

"(2) This subsection shall not be construed as a commitment or obligation on the part of the United States to provide funds for segments of development highways constructed under this subsection, and shall not increase the limitation on construction in subsection (c)."

SEC. 107. Section 202 of the Act is amended to read as follows: 79 Stat. 11. 40 USC app. 202.

"DEMONSTRATION HEALTH PROJECTS

"SEC. 202. (a) In order to demonstrate the value of adequate health facilities and services to the economic development of the region, the Secretary of Health, Education, and Welfare is authorized to make grants for the planning, construction, equipment, and operation of multicounty demonstration health projects, including hospitals, regional health diagnostic and treatment centers, and other facilities and services necessary to health. Grants for such construction (including the acquisition of privately owned facilities not operated for profit and initial equipment) shall be made in accordance with the applicable provisions of title VI of the Public Health Service Act (42 U.S.C. 291–291o), the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), and other laws authorizing grants for the construction of health-related facilities, without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law. 78 Stat. 447. 42 USC 2661 note.

"(b) No grant for the construction or equipment of any component of a demonstration health project shall exceed 80 per centum of such costs. The Federal contribution may be provided entirely from funds authorized under this section or in combination with funds provided under other Federal grant-in-aid programs for the construction or equipment of health-related facilities. Notwithstanding any provision of law limiting the Federal share in such other programs, funds authorized under this section may be used to increase Federal grants for component facilities of a demonstration health project to a maximum of 80 per centum of the costs of such facilities. Federal share.

"(c) Grants under this section for operation (including initial operating funds and operating deficits comprising among other items the costs of attracting, training, and retaining qualified personnel) of a demonstration health project, whether or not constructed with funds authorized by this section, may be made for up to 100 per centum of the costs thereof for the two-year period beginning, for each component facility or service assisted under any such operating grant, on the first day that such facility or service is in operation as a part of the project. For the next three years of operations such grants shall not exceed 50 per centum of such costs. No grant for operation of a demonstration health project shall be made unless the facility is publicly owned, or owned by a public or private nonprofit organization, and is not operated for profit. No grants for operation of a demonstration health project shall be made after five years following the commencement of the initial grant for operation of the project. No such grants shall be made unless the Secretary of Health, Education, and Welfare is satisfied that the operation of the project will be conducted under efficient management practices designed to obviate operating deficits. Notwithstanding section 104 of the Public Works and Economic Development Act of 1965 (79 Stat. 554), a health-related facility constructed under title I of that Act may be a component of a demonstration health project eligible for operating grant assistance under this section.

42 USC 3134.

"(d) The Secretary of Health, Education, and Welfare is authorized to provide funds to the Commission for the support of its Health Advisory Committee and to make grants for expenses of planning necessary for the development and operation of demonstration health projects for the region. The amount of any such grant shall not exceed 75 per centum of such expenses.

"(e) Not to exceed $50,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

Post, p. 266.

79 Stat. 12.
40 USC app. 203.

SEC. 108. Subsection (i) of section 203 of the Act, entitled "LAND STABILIZATION, CONSERVATION, AND EROSION CONTROL", is amended to read as follows:

"(i) Not to exceed $19,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

40 USC app. 204.

SEC. 109. Section 204 of the Act is amended by striking out subsection (b) and inserting in lieu thereof the following new subsections (b) and (c):

Hardwood products, research grants.

"(b) The Secretary of Agriculture is authorized to provide technical assistance, make grants, enter into contracts, or otherwise provide funds, first to colleges, universities and other institutions of higher education (with priority to land grant schools), and thereafter to forest products research institutions in the region and other appropriate public and private organizations, which schools, institutions, and organizations have the demonstrated capability to perform such research, for Appalachian hardwood products research, including investigations, studies, and demonstrations, which will further the purposes of this Act. Funds shall be provided only for programs and projects which will contribute significantly to the development of (1) Appalachian hardwood technology, (2) new or improved uses of Appalachian hardwood resources, (3) new or improved processes or methods for producing hardwood products, or (4) new or improved markets for such products. Funds under this section shall be provided solely out of sums specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the allocation or distribution of funds pursuant to any other provision of law.

"(c) Not to exceed $2,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out the purposes of subsection (b) of this section." Post, p. 266.

SEC. 110. (a) Clause (1) of subsection (a) of section 205 of the Act, entitled "MINING AREA RESTORATION", is amended to read as follows: Mining area restoration. 79 Stat. 13. 40 USC app. 205.

"(1) make financial contributions to States in the region to seal and fill voids in abandoned coal mines and abandoned oil and gas wells, and to reclaim and rehabilitate lands affected by the strip and surface mining and processing of coal and other minerals, including lands affected by waste piles, in accordance with provisions of the Act of July 15, 1955 (30 U.S.C. 571 et seq.), to the extent applicable, without regard to section 2(b) thereof (30 U.S.C. 572(b)) or to any provisions therein limiting assistance to anthracite coal formation, or to the Commonwealth of Pennsylvania. Grants under this paragraph shall be made wholly out of funds specifically appropriated for the purposes of carrying out this Act." 69 Stat. 352. 76 Stat. 934.

(b) Strike out clause (3) of subsection (a) of section 205 of the Act. Repeal. 79 Stat. 14.

(c) Subsection (b) of section 205 of the Act is amended to read as follows:

"(b) For the fiscal years 1966, 1967, 1968, and 1969, not withstanding any other provision of law, the Federal share of mining area restoration projects, including reasonable planning and engineering costs, carried out under subsection (a) of this section and conducted on lands other than federally owned lands shall not exceed 75 per centum of the total cost thereof. The non-Federal share of the total cost of any project carried out under subsection (a) of this section may include reasonable land acquisition costs incurred in acquiring land necessary for the purposes of implementing such project, if such land is acquired after the date of enactment of the Appalachian Regional Development Act Amendments of 1967."

(d) The first sentence of subsection (d) of section 205 of the Act is amended to read as follows: "Not to exceed $30,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 111. Subsection (g) of section 206 of the Act, entitled "WATER RESOURCE SURVEY", is amended to read as follows: 40 USC app. 206.

"(g) Not to exceed $2,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

SEC. 112. Part A of title II of the Act is amended by inserting at the end thereof a new section as follows: 79 Stat. 10. 40 USC app. 201-206.

"ASSISTANCE FOR PLANNING AND OTHER PRELIMINARY EXPENSES OF PROPOSED HOUSING PROJECTS UNDER SECTION 221 OF THE NATIONAL HOUSING ACT

"SEC. 207. (a) In order to encourage and facilitate the construction or rehabilitation of housing to meet the needs of low- and moderate-income families and individuals, the Secretary of Housing and Urban Development (hereafter in this section referred to as the 'Secretary') is authorized to make grants and loans from the Appalachian Housing Fund established by this section, under such terms and conditions as he may prescribe, to nonprofit, limited dividend, or cooperative organizations, or to public bodies, for expenses of planning and of obtaining an insured mortgage for a housing construction or rehabilitation project, under section 221 of the National Housing Act (hereafter in this section referred to as 'section 221'), in any area of the Appalachian 68 Stat. 599. 12 USC 1715l.

region determined by the Commission to have significant potential for future growth.

"(b) No grant under this section shall exceed 80 per centum of those administrative expenses, incident to planning a project and obtaining an insured mortgage under section 221, which the Secretary considers not to be recoverable from the proceeds of a mortgage insured under such section: *Provided*, That no grant shall be made to an organization established for profit.

68 Stat. 599.
12 USC 1715l.

"(c) No loan under this section shall exceed 80 per centum of the cost of planning a project and obtaining an insured mortgage under section 221, including, but not limited to, preliminary surveys and analyses of market needs, preliminary site engineering and architectural fees, site options, Federal Housing Administration and Federal National Mortgage Association fees, and construction loan fees and discounts. Loans may be made without interest, or at any market or below market interest rate authorized for a mortgage insured under section 221: *Provided*, That any loan made to an organization established for profit shall bear interest at the prevailing market rate authorized for a mortgage insured under such section. The Secretary may, except in the case of a loan to an organization established for profit, waive the repayment of all or any part of a loan made under this section, including interest, which he finds the borrower is unable to recover from the proceeds of a mortgage insured under section 221.

Appalachian Housing Fund.

"(d) All funds allocated to the Secretary for the purposes of this section shall be deposited in a fund which shall be known as the Appalachian Housing Fund and shall be used as a revolving fund by the Secretary for carrying out such purposes. General expenses of administration of this section may be charged to the fund. Moneys in the fund not needed for current operation may be invested in bonds or other obligations guaranteed as to principal and interest by the United States.

Post, p. 266.

"(e) Not to exceed $5,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

79 Stat. 16.
40 USC app. 211.

SEC. 113. (a) Subsection (a) of section 211 of the Act, entitled "VOCATIONAL EDUCATION FACILITIES", is amended by inserting before the word "needed" in the first sentence, the following: "and for the equipment of such facilities and other school facilities".

(b) Subsection (b) of section 211 of the Act is amended to read as follows:

"(b) Not to exceed $26,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

40 USC app. 212.

SEC. 114. Subsection (b) of section 212 of the Act, entitled "SEWAGE TREATMENT WORKS", is amended to read as follows:

"(b) Not to exceed $6,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section."

73 Stat. 678; 78 Stat. 792, 793; 79 Stat. 17.

SEC. 115. (a) Section 701(a) of the Housing Act of 1954 (40 U.S.C. 461(a)) is amended by striking out "and" at the end of clause (8) and all of clause (9) and inserting in lieu thereof the following:

"(9) the Appalachian Regional Commission, for comprehensive planning for the Appalachian region as defined by section 403 of the Appalachian Regional Development Act of 1965; and

79 Stat. 21.
40 USC app. 403.

"(10) local development districts, certified under section 301 of the Appalachian Regional Development Act of 1965, for comprehensive planning for their entire areas, or for metropolitan planning, urban planning, county planning, or small municipality

Post, p. 266.
79 Stat. 19.
40 USC app. 301.

planning within such areas in the Appalachian region, and for planning for Appalachian regional programs."

(b) The proviso of the first sentence of section 701(b) of the Housing Act of 1954 is amended by inserting after "States" the words "and local development districts". 78 Stat. 792; 79 Stat. 17. 40 USC 461.

SEC. 116. Section 214 of the Act is amended to read as follows: 79 Stat. 17. 40 USC app. 214.

"SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

"SEC. 214. (a) In order to enable the people, States, and local communities of the region, including local development districts, to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the President is authorized to provide funds to the Federal Cochairman to be used for the sole purpose of increasing the Federal contribution to projects under Federal grant-in-aid programs, as hereafter defined, above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. Funds shall be so provided for Federal grant-in-aid programs for which funds are available under the Acts authorizing such programs and shall be available without regard to any appropriation authorization ceilings in such Acts. Any finding, report, certification, or documentation required to be submitted to the head of the department, agency, or instrumentality of the Federal Government responsible for the administration of any Federal grant-in-aid program shall be accepted by the Federal Cochairman with respect to a supplemental grant for any project under such program.

"(b) The Federal portion of such costs shall not be increased in excess of the percentages established by the Commission, and shall in no event exceed 80 per centum thereof.

"(c) The term 'Federal grant-in-aid programs' as used in this section means those Federal grant-in-aid programs authorized by this Act for the construction or equipment of facilities, and all other Federal grant-in-aid programs authorized on or before December 31, 1967, by Acts other than this Act for the acquisition of land or the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Pevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958. The term shall not include (A) the program for the construction of the development highway system authorized by section 201 of this Act or any other program relating to highway or road construction, or (B) any other program for which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act. "Federal grant-in-aid programs." 33 USC 466 note; 16 USC 1001 note; 42 USC 291; 20 USC 35 note, 351 note; 49 USC 1101 note; 47 USC 390-397; 20 USC 701 note; 16 USC 4601-4 note; 20 USC 401 note. Ante, p. 258.

"(d) Not to exceed $97,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section." Post, p. 266.

SEC. 117. (a) The first sentence of section 221 of the Act, entitled "MAINTENANCE OF EFFORT", is amended by striking out "exclusive of Federal funds," and inserting in lieu thereof the following: "exclusive of expenditures for participation in the National System of Interstate and Defense Highways, and exclusive of local funds and Federal funds,". 79 Stat. 18. 40 USC app. 221.

(b) The second sentence of such section is amended by inserting after "Highways" the following: "and expenditures of local funds and Federal funds".

79 Stat. 18.
40 USC app. 223.

SEC. 118. Section 223 of the Act is amended to read as follows:

"PROGRAM IMPLEMENTATION

"SEC. 223. No program or project authorized under any section of this title shall be implemented until (1) applications and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this Act, and (2) the Commission has approved such program or project and has determined that it meets the applicable criteria under section 224 and will contribute to the development of the region, which determination shall be controlling."

40 USC app. 224.

SEC. 119. (a) Subsection (a) of section 224 of the Act, entitled "PROGRAM DEVELOPMENT CRITERIA", is amended (1) by striking out "In developing recommendations on the" and inserting in lieu thereof: "In considering"; and (2) by striking out "within those recommendations".

(b) Subsection (b) of such section is amended by striking out clause (1) and inserting in lieu thereof the following: "(1) to assist establishments relocating from one area to another;".

40 USC app. 302.

SEC. 120. Section 302 of the Act, entitled "GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DEVELOPMENT DISTRICTS AND FOR RESEARCH AND DEMONSTRATION PROJECTS", is amended by (1) striking out subsections (a) through (c); (2) redesignating subsection (d) as subsection (e); and (3) inserting the following new subsections (a) through (d):

"(a) The President is authorized—

"(1) to make grants to the Commission for administrative expenses, including technical services, of local development districts, but (A) the amount of any such grant shall not exceed 75 per centum of such expenses, (B) no grants for administrative expenses shall be made for a local development district for a period in excess of three years beginning on the date the initial grant is made for such development district, and (C) the local development district contributions for administrative expenses may be in cash or in kind, fairly evaluated, including but not limited to space, equipment, and services; and

"(2) to make grants to the Commission for investigation, research, studies, technical assistance, and demonstration projects, and for training programs, but not for construction purposes, which will further the purposes of this Act.

Acid pollution study.

"(b) The Commission is authorized to make a survey and study of acid pollution in the region resulting from mining activities and the effects of such pollution, in full cooperation with the Secretary of the Interior and other appropriate Federal, State, and local departments and agencies, with the objective of developing a comprehensive action program for the appropriate control, reduction, or elimination of such pollution in the region or the effects of such pollution. The Commission shall submit to the President a report, including specific recommendations for such program and for the policies under which it should be conducted, and the President shall submit the report to the Congress, together with his recommendations, not later than March 31, 1969. The study shall, among other matters—

Report to President and Congress.

Contents.

"(1) Identify sources of acid mine pollution in the region and their type, area, ownership, and other characteristics; the relative contribution of each source; and the impact of each source on water quality in the streams affected.

"(2) Identify present and potential water-using and other activities which are affected by acid mine pollution in the region, or originating in the region, and the economic and social costs and effects attributable to such pollution.

"(3) Identify known methods and costs for the control and abatement of acid mine pollution.

"(4) Estimate economic and social benefits, public and private, that are likely to result from reducing to various levels acid mine pollution in the streams of the region and identify the types of beneficiaries and the relative distribution of the benefits to such beneficiaries.

"(5) Consider the appropriate roles of Federal, State, and private interests in programs for the control, reduction, or elimination of acid mine pollution in the region and the relative costs which each should bear, including specifically (A) the extent, if any, to which private interests can bear the cost of such programs within the economics of mining activity, (B) the effectiveness of past action by Federal, State, and local units of government in remedying or controlling the adverse effects of acid mine pollution, (C) relationships which might be established among Federal, State, and local units of government, and with private interests, or implementing and funding such programs, and (D) the need for appropriate Federal and State legislation, including adequate enforcement provisions, for such programs.

"(6) Formulate a program for the appropriate control, reduction, or elimination of acid mine pollution in the region, including the identification of specific objectives and costs, with due consideration to: (A) the developmental effects of the program, (B) the economic benefits of the program in relation to costs, (C) the social effects of the program, (D) the avoidance of unwarranted financial gain to private interests, and (E) the types and sources of aid required to accomplish the program.

Financial records, maintenance.

"(c)(1) The Commission shall, as required by the President, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the President. The records of the Commission shall be available for audit with respect to such grants by the President and the Comptroller General or their duly authorized representatives.

"(2) Recipients of Federal assistance under the provisions of this section shall, as required by the Commission, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the Commission. Such records shall be available for audit by the President, the Comptroller General, and the Commission or their duly authorized representatives.

"(d) Not to exceed $11,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section. Not to exceed $3,000,000 of such authorization shall be available for the purposes of subsection (b)."

Post, p. 266.

SEC. 121. Section 303 of the Act is amended to read as follows:

79 Stat. 20.
40 USC app. 303.

"PROJECT APPROVAL

"SEC. 303. An application for a grant or for any other assistance for a program or project under this Act shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under the Act shall

be approved for assistance. No project shall be approved by the Commission unless the Commission is satisfied that the project will be properly administered, operated, and maintained."

79 Stat. 21. 40 USC app. 401.

SEC. 122. Section 401 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 401. In addition to the appropriations authorized in section 105 and in section 201 for the Appalachian development highway system and local access roads, there is hereby authorized to be appropriated to the President, to be available until expended, not to exceed $170,000,000 for the two-fiscal-year period ending June 30, 1969, to carry out this Act."

Ante, pp. 257, 258.

40 USC app. 403.

SEC. 123. (a) Section 403 of the Act, entitled "DEFINITION OF APPALACHIAN REGION", is amended—

Alabama.

(1) by inserting in the clause relating to the counties in Alabama after "Jefferson," the following: "Lamar," and after "Morgan," the following: "Pickens,";

(2) by inserting after the clause relating to the counties in Maryland the following:

Mississippi.

"In Mississippi, the counties of Alcorn, Benton, Chickasaw, Choctaw, Clay, Itawamba, Kemper, Lee, Lowndes, Marshall, Monroe, Noxubee, Oktibbeha, Pontotoc, Prentiss, Tippah, Tishomingo, Union, Webster, and Winston;

New York.

"In New York, the counties of Allegany, Broome, Cattaraugus, Chautauqua, Chemung, Chenango, Cortland, Delaware, Otsego, Schoharie, Schuyler, Steuben, Tioga, and Tompkins;"; and

Tennessee.

(3) by inserting in the clause relating to the counties in Tennessee after "Campbell" the following: "Cannon,".

(b) Such section is further amended by striking out the colon following "West Virginia" and inserting in lieu thereof a period, and by striking out all of the remainder of such section and inserting in lieu thereof the following:

"No recommendation for any change in the definition of the Appalachian region as set forth in this section shall be proposed or considered by the Commission without a prior resolution by the Committee on Public Works of the Senate or of the House of Representatives, directing a study of such change."

TITLE II—AMENDMENTS TO THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

79 Stat. 565. 42 USC 3183.

SEC. 201. Subsection (a) of section 503 of the Public Works and Economic Development Act of 1965 is amended by striking the semicolon after clause (2), inserting a comma, and the following: "including the development of a comprehensive long-range economic plan approved by the Secretary;".

42 USC 3185.

SEC. 202. Subsection (c) of section 505 of the Public Works and Economic Development Act of 1965 is amended by adding at the end thereof the following:

"Not to exceed $2,500,000 of the funds authorized to be appropriated by this subsection for each fiscal year shall be allocated by the Secretary to each regional commission to carry out the purposes of this section."

42 USC 3189.

SEC. 203. Section 509 of the Public Works and Economic Development Act of 1965 is amended by redesignating such section as section 510 and by inserting after section 508 the following new section 509:

"SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

"SEC. 509. (a) In order to enable the States and other entities within economic development regions established under this Act to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the Secretary shall, once a comprehensive long-range economic plan established pursuant to clause (2) of section 503(a) is in effect, provide funds pursuant to specific recommendations, to each of the Federal Cochairmen of the regional commissions heretofore or hereafter established under this title, to be used for the sole purpose of increasing the Federal contribution to projects under such programs above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. No program or project authorized under this section shall be implemented until (1) applications and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this Act, and (2) the Regional Commission involved has approved such program or project and has determined that it meets the applicable criteria under section 504 and will contribute to the development of the region, which determination shall be controlling. Funds may be provided only for Federal grant-in-aid programs for which funds are available under the Act authorizing such programs. Funds so provided shall be available without regard to any appropriation authorization ceilings in such Act.

Ante, p. 266.

79 Stat. 566.
42 USC 3184.

"(b) The Federal portion of such costs shall not be increased in excess of the percentages established by each commission, and shall in no event exceed 80 per centum thereof.

"(c) The term 'Federal grant-in-aid programs' as used in this section means all Federal grant-in-aid programs in existence on or before December 31, 1967, assisting in the acquisition of land or the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by title I of this Act and by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; and National Defense Education Act of 1958. The term shall not include any program in which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this section, and shall not be taken into account in the computation of allocations among the States made pursuant to any other provision of law.

"Federal grant-in-aid programs."

33 USC 466 note; 16 USC 1001 note; 42 USC 291; 20 USC 35 note, 351 note; 49 USC 1101 note; 47 USC 390-397; 20 USC 701 note; 16 USC 460l-4 note; 20 USC 401 note.

"(d) There is hereby authorized to be appropriated to the Secretary for each of the regional commissions for the purposes of this section the sum of $5,000,000 for the period ending June 30, 1968, and the sum of $10,000,000 for the fiscal year ending June 30, 1969.

Appropriation.

"(e) An application for a grant under this section shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under this section shall be approved for assistance."

79 Stat. 569.
42 USC 3201-3203.

SEC. 204. The Public Works and Economic Development Act of 1965 is amended by adding at the end of title VI thereof the following new section:

"ADMINISTRATION, OPERATION, AND MAINTENANCE

"SEC. 604. No Federal assistance shall be approved under this Act unless the Secretary is satisfied that the project for which Federal assistance is granted will be properly and efficiently administered, operated, and maintained."

Approved October 11, 1967.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 548 (Comm. on Public Works) and No. 706 (Comm. of Conference).
SENATE REPORT No. 159 (Comm. on Public Works).
CONGRESSIONAL RECORD, Vol. 113 (1967):
Apr. 26: Considered in Senate.
Apr. 27: Considered and passed Senate.
Sept. 13, 14: Considered and passed House, amended.
Sept. 28: House agreed to conference report.
Sept. 29: Senate agreed to conference report.

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